



Umzumbe MUNICIPALITY



Annual Report 2010-2011



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Glossary of Terms	
MIG	Municipal Infrastructure Grant
DBSA	Development Bank of South Africa
DWARD	Department of Water Affairs and Rural Development
JIPSA	Joint Initiative on Priority Skills Acquisition
ASGISA	Accelerated and Shared Growth Initiative- South Africa
IDP	Integrated Development Plan
SDBIP	Service Delivery and Budget Implementation Plan
MSA	Municipal Systems Act
MfMA	Municipal Finance Management Act
GDS	Growth and Development Summit
COGTA	Corporate Governance and Traditional Affairs
EIA	Environmental Impact Assessment
DAEA	Department of Agriculture and Environmental Affairs
WSP	Workplace Skills Plan
HIV/AIDS	Human Immune Virus/ Acquired Immune Deficiency Syndrome
ICT	Information Communication Technology
SALGA	South African Local Government Association
CPMD	Certificate Programme in Management Development for Municipal Finance
ELMDP	Executive Municipal Leadership Development Programme
CDWS	Community Development Workers
WSP	Workplace Skills Plan
HIV	Human Immune Virus
AIDS	Acquired Immune Deficiency Syndrome
ICT	Information Communication Technology
SALGA	South African Local Government Association
OMOP	Observational Medical Outcomes Partnership
ELMPD	Executive Leadership Management Programme and Development



Chapter 1

Introduction and Overview

Executive Summary

Legal Framework

Mayor's Foreword

Municipal Manager's Statement

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EXECUTIVE SUMMARY

The Umzumbe Local Municipality's Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 OF 2003 AND Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000.

According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise five chapters to reflect the key activities undertaken within the organisation during the year under review. A brief summation of what is contained in each in each chapter is outlined below.

- Chapter 1:** contains the geographic location of the Municipality as well as the population dynamics of the Local Municipality. Key to this chapter is the consultative processes that the Municipality embarked on, which led to the creation of our IDP document. The chapter touches on issues of governance and how the Council is constituted.
- Chapter 2:** reports and highlights some of the key achievements and challenges of the organisation during the year under review. Though the Municipality had faced a number of challenges, but it continued to excel in service delivery as would be reflected in the report itself.
- Chapter 3:** reports on the programmes designed by the Municipality to improve employment equity and skills development. It also highlights Human Resource Management Policies and Practices that have been carried out to build staff capacity. To ensure transparency, issues of remuneration of Senior Management have also been covered.
- Chapter 4:** also key in this chapter is the fact that we have maintained our timely submission of the Annual Financial Statements to the Auditor-General for auditing.
- Chapter 5:** reports on functional areas, development and the Annual Performance Report which reports on performance of the Municipality for the year under review.

LEGAL FRAMEWORK

The Constitution of South Africa describes the social values of the country, and sets out the structures of government, what powers and authority a government has, and right citizens have. The founding Provisions of our 1996 Constitution set out the principles of democracy in South Africa. Umzumbe Municipality is one such democratically founded institution.

The 2010/2011 Annual Report has been prepared in accordance with the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 OF 2003 AND Section 46 of the Local Council after following all the processes and procedures prescribed by Section 129 of the MFMA. In compliance with the provisions of the MFMA, this Annual Report is to be tabled by the Mayor at a Municipal Council meeting to held in January 2012, as prescribed by Section 127 of the MFMA, and was thereafter publicised for comments for a period of 21 days, this is done in terms of Section 21 (a) of the MSA.

In presenting this for the financial year ended 30 June 2011, we acknowledge progress made during the 2010/2011 financial year and the challenges that lie ahead. A detailed account of all the challenges and remedial actions going forward has been provided within this report.





Mayor's Foreword

I greet you in the name of service delivery. Steadily, our municipality is continually growing from strength to strength. This year, we take pride in the way we have interacted with our community on service delivery programmes. The results of our constant consultation with the community have significantly assisted us to align all our plans and activities with the needs of our people. Furthermore, our continuous engagement with our people has enabled us to deal with service delivery obstacles timeously.

Our ward committee system has effectively gained momentum through the introduction of rigorous capacity building and training sessions to ward committee members, which were aimed at strengthening public participation and advocacy. Similarly, our interactions with various stakeholders have brought about much needed collaboration in service delivery. Our participation in the Premier's Flagship Programme (War on Poverty) and our constant interaction with Government Departments such as the Department of Social Development, Home Affairs, Health, Education, Sassa and many others have enabled us to collectively plan and implement our service delivery programmes in a coordinated manner.

Once again, this year we have made remarkable progress in keeping with the regulations governing the use of government finances. I am happy to announce that this year we have received an unqualified audit report from the Auditor General for the third time in a row. This essentially means that we are taking prudent financial decisions in accordance with the requirements of the law. In the next financial year we are committing ourselves to strive for a clean audit report and we are confident that if we continue to work as a collective we shall indeed achieve this objective.

As government, we continue to make meaningful progress towards our goal of providing descent shelter to our people. Together, with the Department of Human Settlements we have commissioned housing projects in most of our areas, where this has been a priority target in accordance with our housing plans. However, in our assessments, we have noted that housing has now become a priority to many of our people, due to the changing weather conditions, which have, in most areas, left many people without a descent roof over their heads. In other areas of our municipality we have constructed roads and bridges to allow people free movement. We have furthermore undertaken to refurbish and recondition our



*Cllr S.T. Gumede
(His Worship – The Mayor)*

community facilities to be in a good usable state. These projects have been implemented through funding from the Municipal Infrastructure Grant (MIG).

This year we have also prioritized plans to develop local small and medium businesses to enable them to gain skills and knowledge so as to be proficient in management of their businesses. These businesses have been developed through training and mentorship, with a special focus on sectors such as Tourism, Agriculture, Manufacturing and Production. Through these initiatives, we want to ensure that we create more opportunities for our people to gain access to the mainstream economy thereby assisting us as government to curb the high levels of poverty and unemployment in our municipality.

In responding to the call by the national government to ensure access to education for all children, we have continued to provide school uniforms to over 2500 children from low income households, to enable every child in school going age to have access to basic education. In addition, we have initiated a tertiary education support programme for students that have completed their matric and have applied to further their studies at a tertiary institution but have no financial means to fulfil the registration requirements. This programme provides students with registration fees to gain access into tertiary education and thereafter students will be expected to seek financial assistance from their institutions through internal programmes, to complete their studies. Through this programme we have assisted over 100 students this year alone.

Like in all other years, the road we have travelled this year has not been a smooth ride throughout the year. Whilst we elucidate on our achievements, we also take stock of the challenges we have experienced, which in some instances have drawn us back in our drive to provide services to our people. Amongst notable challenges is the lack of adequate financial resources to fund our programmes, and the drastic changes in





weather conditions, which have had a negative effect in our infrastructure projects such as roads and bridges.

Another concerning fact that we have noted in this year is the increase in the number of people that are seeking assistance from the municipality to bury their loved ones. As council, we had taken a decision to assist families that are unable to cover costs for basic funeral requirements such as a coffin, food and storage when their loved ones have passed on. This, we were doing only to those families that had no source of income whatsoever. However, this service has now been subjected to abuse by people who can afford to pay for these funeral requirements at the expense of the poor. This type of abuse has resulted to the budget being exhausted early in the year, which has ultimately led to the service not being rendered to most deserving families. We hope that in the next financial year people will refrain from abusing these services because they are there for those who need them most.

In conclusion, we wish to assure all our people that we will continue even in the coming years, to strengthen our relations with community representative structures, in order to ensure that service delivery is in line with the needs of the people.

Thank you

Cllr S.T Gumede

(His Worship – The Mayor)





ACTING MUNICIPAL Manager's Statement

The vision of this municipality portrays a picture where the physical and social infrastructure will lay a good and conducive environment for sustainable economy. This preferred picture of the future is based on this reality that the municipality is vastly rural where there is a high rate of unemployment and resultant poverty.

In the 2010/2011 financial year the Municipality intensified efforts of developing people by conducting a series of strategic planning workshops, municipal Indabas, municipal Integrated Development Plan, Budget Road shows and summits that aimed to craft development towards the achievement of its vision.

The challenge of a credible Integrated Development Plan and a firm performance management system was our focus. The Municipality was guided by five National Key Performance Areas (KPA) as Key Focus Areas in its strategic direction. It helped to refocus programmes maximise the service delivery for the benefit of the needy community.

It was thus critical that:

- New development approach that strategically addressed the plight of the community was implemented;
- Through the integrated development plan, development initiatives, resources from all spheres of government were co-ordinated;
- Equitable distribution of resources in the municipality were allocated
- Economic development was speedily intensified;
- Customer relation and culture of people first was implemented.

The achievement of a better quality of life was entirely dependent on essential values of responsiveness to the needs of the people above everything else. Vastly rural as it is, the Municipality does not own land; as most of the land is owned by Ingonyama Trust and private owners. This was and is still a challenge to one of the Municipality's pillars of economy such as agriculture.

Municipality has very minimal revenue base, because there is no town to boost its income through rates. Attempts made to establish St Faith's township were met with many costly challenges. However, the inception of Ntelezi Msane's tourism development centre as a tourist attraction ignited hope for the future development. These were the attempts to overcome rural underdevelopment.

The development of Ntelezi Msane's Tourism centre will lead to one of the most tourist attractions in the South Coast.



*Dr M. J. Ngesi
(Acting Municipal Manager)*

The infra-structural development of roads and community facilities was one of the strengths and pride of this

Municipality. Though the Human Settlement is not our core function, but a lot of efforts and energy were directed to housing by Umzumbe as a developer.

The Municipality was supported by a strong staff complements that worked tirelessly to deliver on the strategy and community needs. But there was still an insurmountable understaffing and lack of resources due to insufficient budget. This lack of human resources also arrested the desired expedient progress towards skills development.

Some of the rare talents were developed in the performing arts development programme. This is one of the strategies of the Municipality to build capacity of artists so that such talent is commercialised to dent unemployment rate.

The financial management of the Municipality continued to be in good and capable hands. This was demonstrated once more by the achievement of unqualified audit report. It was and it still our goal to eventually attain a clean audit, preferably before 2014.

The Municipality was committed and as it is still committed to good governance. Structures were in place to combat corruption. This is indeed a municipality on its way to great achievements, in spite of many challenges of resources. The leadership is visionary and committed to growth and prosperity of this Municipality, and this will be definitely achieved within current five years of the IDP cycle.

*Dr M. J. Ngesi
Acting Municipal Manager*





AUDIT COMMITTEE Chairperson's Report

We are pleased to present our report for the financial year ended 30 June 2011.

Audit Committee Members and Attendance

In terms of the Municipal Finance Management Act (MFMA) and the Audit Committee Charter, the Audit Committee as at the 30 June 2011, included four external independent members. None of the members were Councillors. Prior to the review and subsequent

Council approval of the Audit Committee Charter in June 2011, the membership composition of the Audit Committee included the Municipal Manager and Chief Financial Officer. The Audit Committee included the following members listed hereunder and meets at least four (4) times per annum as per its approved Charter. During the year under review four (4) meetings. Details of the external members and their attendance at audit committee meetings during the year are listed as follows:

Name of Member Qualifications Appointed Resigned Meetings Attended

Name of Member	Qualifications	Appointed	Resigned	Meetings Attended
Mr. Paul Preston ^A	BA LLB	01/07/2010	N/A	3
Mr. Sipho Nzuza ^A	B.Com, MBA	01/02/2011	N/A	3
Ms. Chantel Elliott ^A	B.Com(Hons), CA(SA)	01/02/2011	N/A	3
Mr. Imraan Lockhat ^A	B.Com(Hons), CA(SA)	01/02/2011	N/A	3
Mr Silas Hlophe ^B	B.Com(Hons)	01/07/2010	31/12/2010	1
Mr Tumelo Tsotetsi ^B	B.Com(Hons), CA(SA)	01/07/2010	31/12/2010	1

Table 1: Statistical report on the number of Audit Committee meetings

Audit Committee's Responsibilities

The Audit Committee's responsibilities are outlined in Section 166(2) of the Municipal Finance Management Act, 56 of 2003. The Audit Committee has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein. A summary of the Audit Committee's responsibilities in terms of the MFMA and its Charter is that it is responsible for, among other things, the following:

AUDITORS AND EXTERNAL AUDIT

Discuss and review with external auditors, inter alia:

- the nature and scope of the audit function;
- agreeing to the timing and nature of reports from the external auditors;
- considering any problems identified in the going concern of the Municipality;

- review the Auditor-General's management letter and management response; and
- meeting the Auditor-General at least annually to ensure that there are no unresolved issues of concern.

ANNUAL FINANCIAL STATEMENTS

- Review significant adjustments resulting from the audit;
- Review effectiveness of the internal audit;
- Review risk areas of the operations to be covered in the scope of the internal and external audits; and
- Review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information.

PERFORMANCE MANAGEMENT

- Review of the quarterly reports submitted by internal audit on the performance management system;





- Review the performance management system ensuring functionality thereof and compliance with the Act;
- Focus on economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's own key performance indicators; and
- Reporting on the outcomes of its review and focus areas to the Council, at least twice per annum.

INTERNAL CONTROL AND INTERNAL AUDIT

The monitoring and supervising of the effective function of the internal audit including:

- evaluating performance, independence and effectiveness of internal audit and external service providers through internal audit;
- review the effectiveness of the internal controls and to consider the most appropriate system for the effective operation of its business; and
- initiating investigations within its scope, e.g. employee fraud, misconduct or conflict of interest.

ETHICS

Reviewing the effectiveness of mechanisms for the identification and reporting of:

- any material violations of ethical conduct of Councillors and municipal staff;
- compliance with laws and regulations; and
- environmental and social issues.

COMPLIANCE

- Carrying out investigations into financial matters as Council may request;
- Reviewing the effectiveness of mechanisms for the identification and reporting of:
 - compliance with laws and regulations; and
 - the findings of regulatory bodies or audit observations.

The Audit Committee is satisfied that it has complied with its responsibilities and has discharged them properly and efficiently.

The Effectiveness of Internal Controls

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matters of emphasis and management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was effective. The Audit Committee is satisfied with the internal controls in place and overall adherence to those controls.

The Quality in Year Management and Monthly/Quarterly Report Submitted in terms of the MFMA

The Audit Committee received and reviewed certain performance management reports and is satisfied with the content and quality of these monthly and quarterly reports prepared and issued by the Accounting Officer and management during the year under review.

Internal Audit Function

The municipality does not have its own internal audit function. The internal audit function of the Ugu District Municipality is used by the municipality.

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of areas covered by Internal Audit, arising from the risk assessment:

- Follow Up reviews: Revenue Management
- Follow Up reviews: Asset Management
- Follow Up reviews: Project and Contract Management
- Human Resources: Recruitment Management
- Human Resources: Leave Management
- Bi-annual reviews of the Performance Management System

An annual assessment of the Internal Audit Function had been completed by Management and the Audit Committee.





The internal audit function is limited with respect to resources however the Audit Committee is satisfied with the performance of the Internal Audit Function and reports that most of the projects in terms of the approved annual plan had been completed by the end of the financial year.

Evaluation of Annual Financial Statements

The Audit Committee has:

- reviewed and discussed with the Auditor-General and the Accounting Officer the audited Annual Financial Statements to be included in the Annual Report;
- reviewed the Auditor-General's management letter and management responses;
- reviewed the accounting policies and practices;
- evaluated the audited Annual Financial Statements to be included in the Annual Report and, based on the information provided to the Audit Committee, considered that the said statements comply in all material respects with the requirements of the MFMA and Treasury Regulations as well as the statements of Generally Recognised Accounting Practice (GRAP).

The Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial

Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Conclusion

I would like to thank my colleagues for making themselves available to serve on this Committee and for the significant contribution that they have made. As an Audit Committee, we rely to a great extent on the Manager: Internal Audit and his staff in the Internal Audit Section from the Ugu District Municipality for their support and assistance and, in particular, for the role they continue to play in improving the accounting and internal auditing systems and controls at the Municipality. We are indebted to them for their efficient service and assistance.

We are also grateful to the Chief Financial Officer, the Auditor-General and other invitees to our meetings, including the external service providers, all of whom provided invaluable information to the Committee.

Mr Paul Preston

Chairperson: Audit Committee

Date: 01 December 2011





INTRODUCTION AND BACKGROUND

THE Annual Report document represents part of the long journey that has been travelled by the Umzumbe Municipality with regard to service delivery to its people. It represents a rigorous process, shared analysis with the community and various stakeholders within the financial year 2010/2011 in making sure that the municipality has an authentic, credible and closely monitored service delivery that represents the aspirations of its civic people.

Both the political and administrative leadership of the municipality, together with our partners in development, collectively understand the common vision 2015.

The development of the Umzumbe Municipality's IDP, which in principle is reviewed annually, is based on the meaningful contributions that have been made by the members of the community. This is because the municipality adopted the Area Based Management Plan as its community participation methodological tool that allows it to extract the current development path and real status quo on the round with regard to service delivery. This methodology has enabled the municipality to reflect back to the initial IDP of the financial year 2002- 2003 that was adopted by the Council at the time in order to evaluate the progress that has been made. This has allowed the development of new strategies that will ensure that the municipality is still on the right track in fulfilling its developmental mandate.

We have used the five (5) National Key Performance Areas as our Key Focus Areas that will continue to guide us in our strategic direction. However, the programmes/projects have been refined and refocused in order to be more effective and maximize the service delivery benefits accruing to the community.

VISION

"By the year 2015 the people of Umzumbe will enjoy a better quality of life with viable physical and social infrastructure and sustainable economy".

MISSION STATEMENT

The municipality is dedicated to promote people-centered development for service delivery and sustainable Local Economic Development (LED).

OUR MISSION WILL BE ACHIEVED BY:

- Implementing "new development approach" that strategically addresses the key challenges that are facing the people of Umzumbe.
- Integrated Development Planning, proper co-ordination and integration of development initiatives of Umzumbe Municipality and other spheres of the government.
- Ensuring the fair and just allocation and distribution of resources within the area.
- Enhancing the economic development and growth within the area.
- Infrastructure development and service provision that meets priority needs of the community.
- Learning from other municipalities with the best practices in service delivery.
- Empowering our citizen through capacity building initiatives that characterize the developmental local government.

VALUES

- To be responsive to the needs of the citizens.
- Develop partnerships for development with "friends of Umzumbe" (other government departments and service providers).
- To be transparent, accountable and participative in our dealings with each other regarding the partnerships.
- To cultivate a work ethic on performance, achievements and results.
- To promote and pursue key national, provincial and local government developmental goals.
- To ensure a representative organization.
- To be democratic in the pursuance of our objectives.
- To show mutual respect, trust and ensure high levels of co-operation and discipline in our dealings with service delivery partners.

MUNICIPAL PROFILE

UMZUMBE Municipality (KZ213) is a local municipality falling within the Ugu District Municipality (DC21). It is one of the six (6) local municipalities within the District. It is the largest municipality within the district in terms of the geographic area coverage: The municipal boundary runs along the coast for a short strip between Mthwalume and Hibberdene and then balloons out into the hinterland for approximately 60km. It covers a vast, largely rural area of some 1260km²





with approximately 1% being built up / semi-urban. The municipality incorporates 17 traditional authority areas comprising ten (10) municipal wards. The Municipal Council comprises of 19 ward councillors and 18 proportional representative councillors.

One of the greatest challenges in Umzumbe is that the municipality does not own any land, most of the land is owned by the Ingonyama Trust and private owners. The municipality has very close ties with its people, and invests in their growth and development. In the past financial year initiatives such as dress a child, seeds project, community participation and various others have been implemented on the plight to alleviate extreme poverty.

The (2001) national statistics state that "the total population within Umzumbe Municipality has been estimated at 176, 287 persons". The average ward population is 9 155 people, but there is significant variation above and below this figure. Ward 3 is the largest with 13 308 people and Ward 18 with the population of 4 487, is the smallest. The inland wards such as 12, 1, and 16 are the least dense, with the population densities of 65 to 95 people per km². Coastal wards 19 and 17 have densities of 600 to almost 800 people per km². The population congregates towards the coast, where fast transport routes allow easy access to the economic opportunities.

A large proportion of the population is poor, and is characterized by low levels of employment, limited and irregular households income, and inadequate levels of education and training. It is estimated that approximately 50% of the municipal population falls within the economically active group, but of this group, a municipal average of only 9.5% are formally employed.

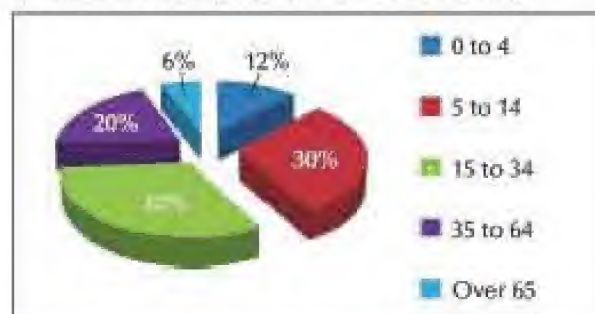
The dominant land uses in order of significance are: thicket and bush land (27%), subsistence farming (24%), grassland (17%), forestry (12%) and sugar cane farming (7%). There are very little dense residential settlements (1%). The most striking feature, however, of the municipality is the extent of undeveloped natural land cover, which represents almost 60% of the total land area. The topography can be described as extremely rocky and hilly. The municipality embraces 17 traditional authority areas: the Bhékani, Cele, Dungeni, Emandleni, Hlongwa, Hlubi, Izimpethu Zedlovu, Mabheleni, Ndelu, Nhlanguwini, Nyavini, Qoloqolo, Qwabe N, Qwabe P, Shiyabanye and Thulini. Because of the size, the municipality has decided to follow an

area-based management approach to planning and development. It is divided into four clusters such as follows:

The tables and graphs below provide a brief socio-economic overview of the area. This overview serves as a background to the strategic planning basis of the municipality:

Graph 1: Municipal Profile

SOURCE: STATS SA, COMMUNITY SURVEY 2007



Municipal Profile	0 to 4	12%
	5 to 14	30%
	15 to 34	32%
	35 to 64	20%
	Over 65	6 %

Graph 2: Education Levels

SOURCE: STATS SA, COMMUNITY SURVEY 2007

Education Levels over 20's	No schooling	12%
	Some Primary	30%
	Complete Primary	32%
	Secondary	20%
	Grade 12	6 %
	Higher	3 %

Graph 3: Population Group

SOURCE: STATS SA, COMMUNITY SURVEY 2007

Extent of Umzumbe Municipality	1260 km ²
Population	176,287
Approximate number of households	40,579
Male Ppulation (%)	44,8%
Female Population(%)	55,2%
Number of Councillors	37



Table 1 : Socio- Economic Overview

SOURCE: STATS SA, COMMUNITY SURVEY 2007

Labour Force out of total Population		18%
Not economically Active out of total Population		36%
Employment (out of labour force)	Employed	28%
	Unemployed	72%
Housing	Formal	38%
	Informal	1%
	Traditional	60%
	Other	1%
Annual Household Income	None	38%
	R1 – R9 600	38%
	R 9 601- R 153 600	23%
	Above R153 600	

INSTITUTIONAL ARRANGEMENTS, ROLES AND RESPONSIBILITIES

Table 2: Below illustrates the organizational structure adopted to coordinate the IDP process. There has been no change to the existing structure as the roles and responsibilities have not changed.

INSTITUTIONAL ARRANGEMENTS, ROLES AND RESPONSIBILITIES

ROLE PLAYER	ROLE AND RESPONSIBILITIES
Municipal Council	Final decision making body of the municipality.
	Adopts the IDP & Budget Process Plan.
	Considers and Adopts the Reviewed Final IDP.
Executive Committee	They are the executive authority of the municipality. Delegate the overall management, co-ordination and monitoring of the process and development of the IDP & Budget to the Municipal Manager
IDP Steering Committee	Consists of the Heads of Departments (HODs), which are: The Municipal Manager's Office, Director Corporate Services, Director Financial Services, Director Technical Services, Director Economic & Social Services and the IDP manager. Oversee the alignment of the planning process internally (within the municipality) and externally (with other stakeholders).
IDP Forum	Consists of all the ward councilors/ communities, Government Department NGOs, GBOs and other role players/ services providers. The stakeholders provide input in the developmental process of the municipal IDP.
IDP Manager/ Municipal Manager	Provides relevant technical input throughout the IDP process. Gives an input in the preparation of the sector plans/ programmes. Managers and co-ordinates the IDP process



GOVERNANCE COMMITTEES STRUCTURES

EXECUTIVE COMMITTEE STRUCTURE

The Executive Committee has delegated plenary powers to exercise the powers, duties and functions of Council, excluding those plenary powers expressly delegated to other standing committees and those powers which are wholly reserved to the Umzumbe Local Council. Notwithstanding the above, the Executive Committee is authorised to exercise any of those plenary powers delegated to other Standing Committees in circumstances where any matters from these committees are referred to the Executive Committee.

In line with Section 80 of the Municipal Structures Act, the Municipality currently has five multi-party Portfolio Committees, namely: FBCC portfolio committee; LED & Infrastructure portfolio committee; Community Services portfolio committee and Planning portfolio committee.

These Portfolio Committees continue to assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects.



His Worship the Mayor
CLLR S.T. GUMEDE
Exco Chair and Head FBCC Portfolio Committee



Deputy Mayor
CLLR N.Y. DLAMINI
Head: LED and Infrastructure Portfolio Committee



Honourable Speaker
CLLR S.R. NGCOBO



CLLR G.M. MCHUNU
Head: Community Services Portfolio Committee



CLLR S.M. ZUMA
Head: Planning Portfolio Committee



CLLR B.N. SHOZI
Exco Member





COUNCIL MEMBERS

The executive and legislative authority of a municipality is vested in its Municipal Council. The pre-eminent roles of the Council, amongst others, are the approval of by-laws, budgets, policies; IDP, tariffs for rates and service charges. The Council consists of 36 members, 6 of whom are full-time



CLLR K.B. MBHELE
Ward 12



CLLR M.J. MKHIZE
Ward 9



CLLR M.J. NGCONGO
Ward 8



CLLR M.R. NGCOBO
Ward 2



CLLR G.M. MCHUNU
Ward 6



CLLR M.R. MQADI
Ward 3



CLLR M.Z. LUTHULI



CLLR M.P. SHOZI
Ward 15



CLLR P.Z. NKOMO
Ward 4



CLLR S.T. GUMEDE
Ward 5



CLLR S.M. ZUMA
Ward 19



CLLR T.L. PETERS
Ward 7



CLLR S.C. SITHOLE
Ward 14



CLLR D.Z. SHOZI
Ward 17



CLLR Z.T. CHILIZA
Ward 11





COUNCIL MEMBERS



CLLR Y.L. DUMA
Ward 18



CLLR Z.B. SHOZI
Ward 13



CLLR L.M. MNTAMBO
Ward 10
Deceased



CLLR D.K. MSOMI
Ward 1



CLLR A.T.S. NGCOBO



CLLR B.B. LUTHULI



CLLR B.N. SHOZI



CLLR C.I. SHEZI



CLLR C.N. MPISANE



CLLR E.B. QUMBISA



CLLR J.P. MTAMBO



CLLR K.O. DIAMINI



CLLR K.S. DONCABE



CLLR L.M.R. NGCOBO



CLLR M.A. DLUNGWANE



CLLR M.A. CHILIZA





COUNCIL MEMBERS



CLLR M.T SHEZI



CLLR N.I NGCOBO



CLLR N.Y DIAMINI



CLLR T.M KHUZWAYO



CLLR S.D CHILIZA



CLLR S.R NGCOBO

Statistical report on Council Committees Sitzings

Committee	No. Of Meetings Scheduled	No. Of Meetings Held	Percentage Of Meeting Sitzings
Finance, Budget control and corporate services	10	10	100%
Planning Committee	5	4	90%
Local Economic Development and Infrastructure	5	5	100%
Executive Committee	12	12	100%
Municipal Publics Accounts Committee	7	6	90%
Full Council	5	5	100%
Community Services Committee	5	5	100%

Political and Gender Representation in Council

Committee	No. Of Meetings Scheduled	No. Of Meetings Held	Percentage Of Meeting Sitzings
Party	Number of Councillors	No. of Female Councillors	No. of Male Councillors
African National Congress	20	6	14
Inkatha Freedom Party	16	8	8
Democratic alliance	1	0	1





Chapter 2

Performance Highlights and Challenges

Municipal Manager's Office

Treasury Department

Technical Services

Corporate Services

Social and Economic Development





MUNICIPAL MANAGER'S OFFICE

Development Planning

The department developed an IDP for 2010/2011 in line with the IDP process plan. This was achieved through consultation with all stakeholders within the area of Jurisdiction. This was done through collaboration of IDP forums, steering committees, EXCO and the Council. The reviewed IDP was aligned to the District's municipality's and Provincial priorities. However, Umzumbe's reviewed IDP scored 62% in the Provincial assessment.

ACTUAL PERFORMANCE

- A Strategic Planning Session for the 2011/2012 IDP was held in January 2011
- 4 IDP Representative Forum meetings were held
- The 2011/2012 IDP was submitted to Cogta on 31 March 2011 for assessments.
- Adverts to invite community comments were published as required by the Municipal Systems Act, Act 32 of 2000.
- 2011/2011 IDP Roadshows were conducted in April 2011
- The 2011/2012 IDP was adopted by Council in June 2011

CHALLENGES

- The Municipality still suffers inadequate involvement of sector departments in its IDP representative forum meetings, which therefore compromises the alignment and co-ordination of projects and programmes between the municipality and sector departments.

Communications, Mayoralty and Youth Development



Exam prayer for before matric final exams.

The main functions of the department are to plan, develop and implement strategies and projects to achieve a co-ordinated internal and external communication process, support the administrative functioning of the Mayor's office and advance the interests of young people within Umzumbe Municipality.



Opening of Khatl Road.

HIGHLIGHTS

- Installation of external directional signage to the municipal offices.
- Created platform for interactions between the Council and the community, through Mayoral Izimbizo, IDP and budget road shows
- Built capacity of ward committees through provision of skills development programmes.
- Provided bursaries and registration fees to young people from disadvantaged families.

CHALLENGES

- Website was not appropriately updated as a result of the inefficient functioning of the IT systems.
- Financial constraints to implement most of departmental projects such as signage and notice boards.
- Inadequate human resources capacity.

FINANCIAL SERVICES DEPARTMENT

OVERVIEW

In terms of section 62 of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality. The treasury department was established to address this responsibility. The financial services department comprises the following sub departments: Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.



PERFORMANCE HIGHLIGHTS: ANNUAL FINANCIAL STATEMENTS

As per section 122 and 126 of the MFMA, the municipality must for each financial year prepare annual financial statements which must be submitted by the 31 August to the Auditor General.

The annual financial statements for the financial year 2009/2010 were compiled in terms of Generally Recognized Accounting Practice (GRAP). The annual financial statements were submitted to the Auditor General on time and compliance was confirmed. The municipality received an unqualified audit opinion on 02 December 2011 from the Auditor General.

MONTHLY FINANCIAL REPORTS

In terms of section 71 of the MFMA, the municipality must by no later than 10 working days after the end of each month submit to the mayor and the relevant treasury monthly budget statements.

The monthly financial reports were prepared timeously and were submitted to the Executive Committee (Exco) and Treasury as well as other portfolio committees.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

In terms of section 72 of the MFMA, a mid-year budget and performance assessment of the municipality must be made by the 25 January each year.

The preparation of the mid-year budget and performance assessment was compiled and adopted by the Council on 25 January 2011.

COMPLIANCE TO THE SUPPLY CHAIN MANAGEMENT (SCM) POLICY

The municipality is in its second year of implementation of Pastel Evolution, which has assisted in the facilitating of procurement such as electronic requisitions and orders.

Separate files were opened for each individual contract which contained details of the contractor, evaluation and adjudication reports, payments details etc.

Bids of at least R 100 000 were submitted to Treasury in accordance with SCM regulations.

The evaluation and adjudication of the tenders was done accordingly. When evaluating and adjudicating tenders HDIs, women, disabled, youth, locality, SMME components etc were considered without compromising the requirements as per the advertisement.

COMPILATION OF THE ASSETS REGISTER

The municipality compiled the fixed assets register for the 2010/11 financial year in accordance with GRAP 17. This formed part of the process of the annual financial statement preparation.

MUNICIPAL PROPERTY RATES

As of 1 July 2009, the municipality began charging for property rates in terms of the Municipal Property Rates Act. The valuation roll was compiled and the property rates billing system was integrated with the general ledger system. During 2010/2011 financial year a supplementary valuation roll was done and updated on the system. In addition there has been a considerable reduction in government debt.

FINANCIAL HIGHLIGHTS

The total assets amounted to R 137 136 480 and the total liabilities amounted to R 7 981 605 resulting in net assets of R 129 154 875 for the year.

The total revenue amounted to R 99 179 079 and the total expenditure incurred amounted to R 57 548 518 resulting in a surplus of R 41 630 561 for the year.

The cash and investments for the year amounted to R 15 617 517.

The total budget for the year was R 116 327 861 comprising operational budget R 61 089 319 and capital budget R 55 238 542.

CHALLENGES

- The requirements of GRAP 17 posed challenges such as componentizing of infrastructure assets which required specialized knowledge.
- The physical verification of the assets was also challenging due to assets being spread over the large geographical area of Umzumbe.
- The municipality faced challenges such as non - payment of rates and no registered postal addresses. In addition the municipality had capacity issues as property rates required specialized knowledge.
- Capacity constraints within the department.

TECHNICAL SERVICES

PROJECT MANAGEMENT UNIT

All projects identified by Umzumbe Local Municipality were implemented and the Municipality achieved 100% of expenditure on MIG funding. The allocation of MIG funding for the financial year 2010/2011 was R20,499,347.86.



HIGHLIGHTS

- The target was to construct 53km of gravel roads and to upgrade road network within Umzumbe Local Municipality. The target was exceeded and the municipality achieved 57 km of gravel roads and 17km of concrete pavement.



Khoza Access Road

CHALLENGES

- Huge infrastructure backlog.
- Inadequate funding for infrastructure provision

HOUSING DEVELOPMENT

The target was to construct 650 housing units. The following progress was achieved:

- In Cluster A, the Municipality managed to secure approval of Tranche 2 application by the MEC (Department of Public Works and Human Settlement).

- In Cluster B, the Municipality Managed to secure approval of 1000 houses and one house has been constructed in Mehlomyama Village in Ward 5.
- In Cluster C, the Municipality terminated the contract with the Implementing Agent due to poor performance.
- In Cluster D, the Municipality experienced difficulties in preparation of project description as most of land is privately owned. The Municipality is working to resolve this matter.

CHALLENGES

- Scarcity of land.
- Poor working relationship between Municipal Councillors and Traditional Authorities.
- Poor performance by the Implementing Agents.



ACTUAL PERFORMANCE

Start Date	Contract No.	Contract Name	Description	Contractor	Award Value	Surety	Status
04 March 2011	UMZ-12T-2011	Renovation of 28 community facilities	Renovation of 28 community facilities	Kukhanyakwezwe T10 Investments	R 3,502,519.81	R 350,251.98	Complete
12 April 2011	UMZ-27T-2009	Construction of Nkobeni Access creche	Construction of Nkobeni Access creche	TMS Properties	R 971,875.08	R 97,187.51	Complete
09 January 2010	UMZ-24T-2009	Construction of Ifafa Access Bridge	Construction of Ifafa Access Bridge	Amavovo Construction	R5,756,729.75	R 575,672.98	Complete
26 October 2010	UMZ-02T-2010	Construction of Esivandeni Access road	Construction of Esivandeni Access road	Sinorho Electricals and Civils	R 3,307,957.32	R 330,795.73	Construction



Start Date	Contract No.	Contract Name	Description	Contractor	Award Value	Surety	Status
05 August 2010	UMZ-04T-2010	Construction of Msinsini Access road	Construction of Msinsini Access road	AH-TAK-THI-KI Trading	R 4,983,942.42	R 498,394.24	Complete
10 January 2011	UMZ-08T-2010	Construction of Ihekumesiya Access road	Construction of Ihekumesiya Access road	Microzone Trading 890cc	R 2,252,923.86	R 225,292.39	Complete
05 November 2010	UMZ-07T-2010	Construction of Marhwaga Access road	Construction of Marhwaga Access road	Microzone Trading 747cc	R1,491,614.19	R 149,161.42	Construction
02 November 2009	UMZ-23T-2009	Construction of Khuzimpi Access road	Construction of Khuzimpi Access road	Amavovo Construction	R 949,680.53	R 94,968.05	Complete
01 February 2011	UMZ-11T-2010	Construction of St. Williams Access road	Construction of St. Williams Access road	Bheka Bheka Dikoporasie	R2,965,421.58	R 296,542.16	Complete
11 January 2011	UMZ-09T-2010	Construction of Khoza Access road	Construction of Khoza Access road	Sonohlase Construction and Trading cc	R2,014,841.92	R 201,484.19	Complete
10 November 2009	UMZ-11T-2009	Construction of Tate Access road	Construction of Tate Access road	Mfihleleni Construction cc	R1,667,552.10	R 166,755.21	Complete
18 November 2010	UMZ-05T-2010	Construction of Mgamule Access road	Construction of Mgamule Access road	Gwabini Development Contractors	R 980,874.41	R 98,087.44	Complete
24 May 2010	UMZ-09T-2009	Construction of Ntengela Access road	Construction of Ntengela Access road	Union Plant Hire	R2,494,162.11	R 249,416.21	Complete
19 February 2009	UMZ-09T-2009	Construction of Nkambini Access road	Construction of Nkambini Access road	Mami's Construction	R571,278.51	R 57,127.85	Complete
29 July 2010	UMZ-05T-2009	Construction of Ukhatlhi Access road	Construction of Ukhatlhi Access road	Home 1000 004 Investments	R1,608,974.34	R 160,897.43	Complete
10 November 2009	UMZ-21T-2009	Construction of Ngcengesi Access road	Construction of Ngcengesi Access road	Mfihleleni Construction	R1,935,010.35	R 193,501.03	Complete



CORPORATE SERVICES

OVERVIEW

Corporate Services Department is mainly operational in nature. It provides strategic direction and support to the services department by ensuring that Human/Physical Resources are in place to enable the Municipality to meet its service delivery objectives.

The Department is composed of two sections with different legislative mandate i.e. Human Resources and Administration Support Services.

Performance Highlights

Workplace Skills Plan

- The WSP and Annual Training Report were submitted to LCSETA on time and refund was made to the Municipality in terms of Skills Development Levy.
- Human Resources Policy, Employment Equity Plan and Records Management Policy were renewed and formulated, respectively.
- Placement process with minimal financial implications was done.
- Review of the organogram was done.

ABET Programme

- Six internal employees and three semi-literate were enrolled through ABET programme and they are making a good progress.

Fleet Management

- Installation of vehicle monitoring system C-track has produced significant reduction in vehicle abuse.

Telephone Costs

- Soft-locking of contracted cell phones and deactivating of codes for land line phones.

Vehicle

- Old vehicle auctioned in line with the fleet management Policy and approval by the Council.
- Four (4) vehicles purchased including the one of the Mayor.

Council Meetings

- The number of Council meeting for exceeded the prescribed number i.e. four (4) meeting per year.

Council Inauguration

- An excellent event to inaugurate new council held.

Challenges

- Decentralization of budget for activities like training impacted negatively on the performance of the Human Resources Section(as the co-ordination

Department) hence negatively contributing to the WSP and resultant to Skills Development Levy refund.

- Lack of contribution to the WSP by Councillors due to their failure to submit their personal development plan to the Speakers also impacted negatively on the Skills Development Levy refund.
- Councillors demonstrate low level of interest in courses scheduled for them.
- Inconsistency in Management particularly the HODs in authorizing overtime resultant in large uncontrolled overtime payments, hence causing serious audit queries.
- Resistance of compliance with the Human Resources Policy particularly by Senior Management is still a challenge e.g attendance of trainings held outside the Province and Reporting.
- Submission of items for inclusion into agendas is not properly coordinated and this results in submission of reports with different formats.

SOCIAL AND ECONOMIC DEVELOPMENT

Social and Economic Development comprises of three units namely, Community Services, Local Economic Development and Disaster Management.

Community Services

The unit is responsible for responding to the social challenges faced by Umzumbe community. Key programmes are briefly outlined below.

Poverty Alleviation

The unit has partnered with Social Development, Home Affairs, Dept. of Health and SASSA in ensuring that people's interests are being championed. Poverty alleviation program comprises 38 women who were established specifically to address the issue of poverty whereby 2 unemployed poverty affected women in all wards were identified as indigent. These women were placed as general workers to clean all Municipal Community facilities in all 19 wards and receive a stipend for performing such tasks. This programme eventually provided job opportunities.

Dress a child

This program has a particular objective to encourage young learners while at the same time addressing challenges of poverty. All 19 wards of Umzumbe participated in the program by involving their



stakeholders. Ward Councillors work hand in hand with Educators, Community Based Organizations as well as Ward committees in identifying beneficiaries. 2850 young learners from 150 schools were identified and received school uniform. Dress a Child campaign has been so successful since its establishment.



Grant in Aid

This initiative was aimed at empowering and providing support to Community Based organizations that operated without any intention to make profit. The implementation of the program was successful with fewer challenges. All NGOs were invited to render their proposals and 8 NGO's qualified for the grant. 8 NGO's were selected according to the set criteria and received goods that would assist them in rendering their services to communities and beneficiaries. The handing over of the goods was held at Mantiyaneni Sport ground (Mthwalume High) in ward 11.

HIV and AIDS

HIV and Aids program requires various proactive interventions to overcome the effect of HIV and Aids epidemic. Various Initiatives were developed as a response towards HIV and Aids such as awareness campaigns whereby Umzumbe Municipality co-ordinated and participated in the abstinence programme held annually as a ceremonial event at Enyokeni. Another intervention developed was to provide HIV and Aids Kits as a support to NGOs dealing with HIV and Aids cases in all 19 wards.

Basic Electricity

One of the important projects within the Community Services Department is the provision of free electricity tokens. 3000 electricity tokens were collected every month by families identified as indigent in all 19 wards.

Gender

This programme's objective is to empower women in terms of understanding and dealing with the gendered role of women in society. A forum was established which is made up of members from different Government and community structures. One of the important roles of the forum is to facilitate its participation in National Calendar of Events such as Women's Day Celebration which was hosted at Kwa Dweshula Sports ground in ward 1, as well as Sixteen days of Activism against abuse directed to women and children which was held at Mgal Sportsground in ward 11.



Picture taken at the 16 days of activism against women and children abuse in 1 December 2010, Mgal sports ground.

Senior Citizens Programme

Senior Citizens program aim at encouraging senior citizens to participate in their affairs by providing a podium whereby all issues related to them are discussed. Another main objective of the program is to encourage active ageing by providing sport codes where all these senior citizens participate. In supporting the program Luncheon clubs are established and launched. Luncheon clubs are ward based structures where various platforms are created.

Challenges

- Understaffing/ lack of human capacity
- Financial constraints that hinder the unit in meeting and responding to the unlimited number expectations from the community.

Local Economic Development

The unit has been involved in many programmes and projects that are associated with economic development initiatives and sustainable livelihoods which include the following overview.



Ukwakhana Craft Market

This is a proposed project based in ward 19 by the Durban Spofu off ramp. It is a craft hub project for all the crafters of Umzumbe. It is envisaged that crafters would make their products where they are and then send them to this market for sales and marketing. The market would be centrally managed eliminating the struggle, competition and chaos of individual canvassing. The market steering committee consisting of representation from all wards has been elected. It is situated at the offramp so that the passing trade from the N2 could be solicited.

Ex Convicts Project

This is an empowerment project aimed at ex prisoners. It is intended to assist them to get integrated and resettle in their respective communities. It is common knowledge that it is hard for an ex convict to get a job which creates the vicious cycle where they fall back to crime in order to make ends meet. This programme is skills based with the hope that new ventures and opportunities would be created. The ex convicts of Umzumbe have formed a cooperative that is registered and have been trained in side lamp making as well as shoe making. Others have since been able to find employment. The municipality has assisted this

cooperative by providing inputs and they have started selling their products to as far as Lesotho.

Umzube Organic Farming

This project is part of the OMOP project. Comprising of three projects, namely: Gqubhinhlabathi co-op, Shinga coop and Mgayi coop. As part of the OMOP these projects grow purple passion fruit for the juicing market. Due to lack of funds there is not enough plants to sustain the co-op.

Municipal Tractor Programme

This is an agricultural mechanisation project, where the municipality offers land preparation services to community gardens, small farmers, individual households as well as schools. Land preparation services include ploughing and disking. The tractors are also used for grass mowing in sportsfields throughout Umzumbe.

Tourism Ntelezi Msane

This is a heritage project that seeks to commemorate the Heroes of Umzumbe that took part in the poll tax uprising of 1906. This project is going to be the cornerstone of tourism and development within the municipality. Research that has been done has linked Umzumbe to international avenues such as St Helena



Picture taken at the Ntelezi Msani memorial event



Island where a tourism agreement should be signed. The agreement involves the museums of Umzumbe and St Helena showing the others heritage and artifacts. The project comprises lifestyle features such as accomodation, restuarants, archive centre, library, art and culture academy etc. The monument that commemorates our lost heroes has been erected at Umjahweni another one needs to be sent to St Helena. The project is also registered with MIG and other funders have been approached as funding is the main detriment of this ambitious project.

Challenges

- A large portion of land within the jurisdiction of Umzumbe municipalities belongs to the Ingonyama Trust which makes it difficult for the municipality to have access to land required for developmental purposes.
- Umzumbe local municipality generates less revenue, which result in budget constraints for other projects to be implemented efficiently.

Disaster Management

The Department is still at its infancy stage but has been able to accomplish a lot in this financial year. The accomplishments are progressive and give direction to the section with projections of a section that has a great potential to establish itself as a unit. Programs that were implemented in 2010/2011 financial year were more into taking department to the community e.g. awareness campaigns, risk assessments etc. It however becomes imperative that systems be put in place e.g. policies, operational plans etc. to be able to form strong foundation for the section. Below are the programs and projects that were implemented, successes and challenges met and how those were approached and dealt with.

Stakeholders Advisory Forum

Disaster Management Stakeholders' Advisory Forum was established and is currently meeting on quarterly basis or specially if there are urgent matters that need discussion. This is the most important structure of the section in that it assists with the direction for the department. With a vibrant stakeholders' forum the section is able to link projects with those of the stakeholders like government departments, etc. When the risks are identified and profiled it is in these meetings that different departments adopt these risks e.g. for human diseases become Department of Health's responsibility.

Trainings

A number of training were conducted in this financial year, the highlight is the 4 day training for municipal councilors which took place in June. Among other trainings this was very important because the newly elected councilors deal with people directly and empowering them with the training is beneficial to the department and also to individuals.

Shared Services

The section shares some of the services with Umdoni municipality with regards to fire fighting. Two fire fighters are currently being trained at Umdoni with the hope that they will return with the skill and be able to assist the community of Umzumbe.

Challenges

- **Understaffing:** The section is struggling with regards to the staff. Currently only the manager is managing and also implementing the programs. The two interns that were allocated had to leave because of different reasons. This is hindering the progress and rendering it very slow. It becomes a challenge when multi activities have to be performed and one person is not enough.
- **Resources:** The section is dealing with emergencies e.g. fires and accidents. The section also has a target of 72 hours response time that has to be met and this requires resources. Space is also important if we are to bring back the fire fighters to work here in the municipality.
- **Establishment of Fire Association:** The establishment of fire association was also a bit challenging. The actual establishment is not a challenge as it is done at a provincial level. The cost of running the program requires attention as the municipality will have to employ people that will be responsible for the fire breaks.







Chapter 3

Organisational Management and Human Resources

Organisational Structure

Human Resources Profile

Staffing Information

Skills Development Programme

Disclosures





ORGANISATIONAL STRUCTURE



DR M.J. NGESI
The Acting Municipal Manager



MRS P. SHEZI
*Director:
Corporate Services*



MR E. S. NGCIBO
*Director:
Technical Services*



MR R. AUDAN
CFO



MR. P.T. CELE
*Director:
Social & Economic
Development*



MS. L.P. RADIBE
IDP Manager



MR. S. CELE
*Senior Manager:
Mayoralty &
Communications*





Extended Top Management Committee



MRS N. NGCOBO
Manager LED



MS N. MSOMI
Manager Budget Control



MS T. MDUBEKI
*Manager Human
Resources (HR)*



MR. N.J. NGCOBO
*Manager Project
Management Unit (PMU)*



MR V. SHOZI
*Manager Community
Services*



MR L. NGIDI
Manager SCM



MS N. NTANZI
*Manager Income &
Expenditure*



MS MSOMI
*Manager Youth
Development*



MRS P. THABEDE
*Manager in the Municipal
Managers Office*



MR N. NYUSWA
Manager Administration



MRS L. MKHITHU
Housing Manager



MRS LUSHABA
*Manager Disaster
Management*



ADMINISTRATION

The administration of the Municipality is headed by the Municipal Manager. The Municipality has five administrative departments: Corporate Services; Treasury; Social and Technical services.

MUNICIPAL MANAGER'S OFFICE

The office of the Municipal Manager is headed by the Municipal Manager and comprises the following sections: Development Planning, Mayoralty, Communications, Youth Development

TREASURY DEPARTMENT

The Treasury Department is headed by the Chief Financial Officer and comprises the following sections: Expenditure and Assets; Budget, Treasury and Revenue and Supply Chain Management.

TECHNICAL SERVICES DEPARTMENT

The Technical Services Departments is headed by the Director: Technical Services and comprises 2 sections: Housing Development and project Management Unit.

CORPORATE SERVICES DEPARTMENT

The Department is headed by the Director: Corporate Services and consists of four sections: Human Resources, Secretariat, Information and Communication Technology (ICT), Registry and Auxiliary Services.

SOCIAL ECONOMIC DEVELOPMENT

This department is headed by Director: Social and Economic Development and comprises of three units namely: Community Services; Local Economic Development; Disaster Management.

HUMAN RESOURCE PROFILE

LEVEL	REGION DEMOGRAPHICS	UNZONDE – OVERALL														
		TOP MANAGEMENT			SENIOR MANAGEMENT			MIDDLE MANAGEMENT			JUNIOR MANAGEMENT			GENERAL WORKERS		
		6-1			2-3			4-6			7-12			13-18		
Nos. OFF		Exist	Ideal	Diff	Exist	Ideal	Diff	Exist	Ideal	Diff	Exist	Ideal	Diff	Exist	Ideal	Diff
African Males		3	0	0	1	0	0	4	0	0	21	0	0	4	0	0
African Females		1	0	0	1	0	0	6	0	0	18	0	0	3	0	0
Coloured Males		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Coloured Females		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indian Males		1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indian Females		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
White Males		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
White Females		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Males		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Females		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		5	0	0	2	0	0	13	0	0	39	0	0	7	0	0



STAFFING INFORMATION

The municipality currently has 64 permanent staff members employed, with 29 vacant posts as illustrated in the following table:

Function	No of Staff	No of Vacancies
Municipal Manager's	16	3
Corporate Services	21	4
Treasury	7	5
Planning LED & Community Services	12	11
Technical Services	8	6
Total	64	29

Table: Approved Positions

Policies

Corporate Services Department is responsible for developing and reviewing the policies. The following policies were developed and in certain cases reviewed during 2010/2011 financial year.

- Skills Retention Policy formulated and approved by Council
- Supply Chain Management Policy reviewed
- Property Rates Policy formulated
- Credit control policy amended and approved by Council
- Rules and Orders approved and gazetted
- Workplace Skills Plan (WSP) and Annual Training Report approved and submitted to LGSETA on time.
- Telephone and cell phone policy formulated and approved by Council.
- Registry Policy Developed.

The following are pension fund schemes in existence in the Municipality

- Provident Fund
- Natal Joint Pension Fund

SKILLS DEVELOPMENT PROGRAMME

A total of forty one (41) employees received training in the 2010/11 financial year. Other trainings were funded by LGSETA for pay day training and South African Local government Association (Salga) Games.

Minimum Competency Levels for Senior Management

The Municipal Finance Management Act, Sections 83, 107 & 119 prescribe that the Accounting Officer, Senior Managers, the Chief Financial Officer and other financial officials of a municipality must meet the financial management competency levels prescribed by regulation. National Treasury issued regulations on Minimum Competency Levels on the 15 June 2007 the regulation prescribe the minimum competency levels for the following categories of employees:

- Accounting Officers of Municipalities and Municipal entities;
- Chief Financial Officers of Municipalities and Municipal entities;
- Senior Managers of Municipalities and Municipal entities;
- Other Financial Officials of Municipalities and municipal entities; and
- Supply Chain Management Officials of Municipalities and Municipal entities.

The regulations further require each municipality to report in its Annual Report a consolidated information in respect of progress made in the attainment of minimum competency levels by the above mentioned category of employees.

- Accounting Officers of Municipal entities.
- Chief Financial Officers of Municipalities and Municipal entities
- Senior Managers of Municipalities and Municipal entities
- Supply Chain Management Officials of Municipalities and Municipal entities

The regulations further each municipality to report in its Annual Report a consolidated information in respect of progress made in the attainment of minimum competency levels by the above-mentioned category of employees.





OFFICIAL	A	B	C	D	E	F
	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Total of officials employed by municipal entities (Regulation 14(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14 (4)(e))
FINANCIAL OFFICIAL						
Accounting Officer	1	-	1	1	1	1
Chief Financial Officer	1	-	1	1	1	1
Middle Manager	3	-	3	3	3	6
Any other financial officials	8	-	8	8	-	
Supply Chain Management Officials						
Head of supply chain management unit	1	-	1	1	-	1
Supply chain management managers	1	-	1	1	-	1
Total	15	-	15	15	5	17

Staff Training

2 employees trained and graduated CPMD
 1 employee trained on payday
 2 employees trained in ELMDP
 1 employee trained in presiding office prosecutor investigation
 1 employee trained in Records Management
 1 employee trained in archives management
 1 employee trained in VIP protection
 1 employee trained in module in pastel

Bursaries Awarded:

Field of Study	Number of Bursaries	Monetary Value
Project Management	3	R56 400.00
MBA Finance	1	R24 800.00
Human Resource Course	1	R5 770.00
Public Administration	1	R4 470.00



Training for councillors

Due to the leadership change in 2006, the majority of the Councillors needed to be trained in various aspects of institutional development and good governance. The main aim of the training was to provide continuous capacity building to the Councillors so as to allow them to take informed decisions for service delivery. As noted above, the majority of the Councillors have been trained largely on issues of good governance and institutional development.

As part of the strategy to speed up service delivery, the municipality has been able to comply with the DLGTA requirement by confirming all the councillors who sit in the EXCO into full-time status. This has given the municipality extra capacity in service delivery and it has provided an opportunity to the leadership to interact on daily basis on developmental issues.

Below is a list of Councillors who were trained on different programmes:

- 15 Councillors trained on financial reporting
- 2 Councillors trained and graduated in CPMD
- 1 Councillor trained for Project Management
- 1 Councillor studied for Tourism
- 2 Councillors trained and graduated in ELMDP

Municipal Manager	2010/2011	2009/2010
Annual remuneration	421,126.00	358,450.00
Car allowance and telephone allowances	112,000.00	89,920.00
Performance bonus	–	–
Housing allowance	–	–
Other	921.00	3,764.00
Total	534,047.00	452,134.00

Corporate Services Director	2010/2011	2009/2010
Annual remuneration	388,593.00	421,287.00
Car allowance and telephone allowances	130,686.00	123,519.00
Performance bonus	38,295.00	30,324.00
Housing allowance	–	–
Other	25,719.00	11,728.00
Total	583,293.00	586,858.00

DISCLOSURES

COUNCILLOR	TOTAL COST (R)	
	2010/2011	2009/2010
Mayor	425,129.00	499,850.00
Deputy Mayor	402,224.00	415,867.00
Speaker	450,552.00	415,867.00
Councillors	6,396,870.00	6,558,948.00
Total	7,863,775.00	7,890,532.00

Technical Services Director	2010/2011	2009/2010
Annual remuneration	421,126.00	306,875.00
Car allowance and telephone allowances	112,000.00	87,291.00
Performance bonus	–	30,324.00
Housing allowance	–	45,696.00
Other	248.00	3,504.00
Total	533,374.00	473,690.00

REMUNERATION OF SENIOR MANAGEMENT

Municipal Manager	2010/2011	2009/2010
Annual remuneration	74,086.00	349,775.00
Car allowance and telephone allowances	58,802.00	223,268.00
Performance bonus	–	39,800.00
Housing allowance	4,603.00	55,233.00
Other	1,067.00	12,644.00
Total	138,558.00	680,720.00

Social and Community Services Director	2010/2011	2009/2010
Annual remuneration	331,717.00	221,127.00
Car allowance and telephone allowances	187,562.00	134,015.00
Performance bonus	–	–
Housing allowance	–	–
Other	43,308.00	2,654.00
Total	562,587.00	357,796.00





Chapter 4

Annual Financial Statements

Annual Financial Statements

Audit Report

Corrective measures





REPORT OF THE AUDITOR-GENERAL TO KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE UMZUMBE MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Umzumbe Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 83.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DORA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of the Republic of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice No. 1111 of 2010 issued in Government Gazette No. 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities.

Preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of Umzumbe municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and requirements of the MFMA and DORA.

Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of these matters:

Irregular expenditure

9. As disclosed in note 22 to the financial statements, the Municipality incurred irregular expenditure of R 1,225 million as the expenditure incurred was in contravention of the Municipal Supply Chain Management Regulations of 30 May 2005 (MSCMR).

Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters:





Unaudited supplementary schedules

11. The supplementary information set out on pages 38 to 52 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and in terms of General Notice No. 1111 of 2010, issued in Government Gazette No. 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages 88 to 126 and material non-compliance with laws and regulations applicable to the municipality.

PREDETERMINED OBJECTIVES

Presentation of information

13. The reported performance against predetermined objectives was deficient in respect of the following criteria:
- Performance against predetermined objectives was not reported using the National Treasury guidelines.

The following audit findings relate to the above criteria:

The approved and reported performance indicators did not include general KPI's

14. Approved and reported performance indicators did not include the general key performance indicators as required by the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000)(MSA).

COMPLIANCE WITH LAWS AND REGULATIONS

Expenditure management

15. As required by section 62(1)(d) of the MFMA, the accounting officer did not take reasonable steps to prevent irregular expenditure.
16. As required by section 65(2)(e) of the MFMA, payments due to creditors were not always settled within 30 days from receipt of an invoice.
17. As required by section 38(c) of the Municipal Supply Chain Management Regulations, a contract was awarded to the service provider who is prohibited as per the national treasury website.

18. As required by section 44(a) of the Municipal Supply Chain Management Regulations, awards were made to persons who are in the service of the state.

INTERNAL CONTROL

19. In accordance with the PAA and in terms of General Notice No. 1111 of 2010, issued in Government Gazette No. 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

20. The accounting officer did not exercise oversight responsibility over procurement of goods and services to ensure that they complied with the requirements of MSCMR.
21. The municipal council did not exercise oversight over the preparation of the Service Delivery Implementation Plan (SDBIP) to ensure that all the general KPI's are included to SDBIP.

Financial and performance management

22. The accounting officer did not ensure that the municipality has and maintain an approved policy for performance management system.

Yours sincerely

Auditor-General

Pietermaritzburg
30 November 2011
AUDITOR-GENERAL, SOUTH AFRICA
Auditing to build public confidence



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence





AUDIT FINDINGS CORRECTIVE MEASURES

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
MATTERS AFFECTING AUDIT REPORT				
1	Prohibited supplier awarded	A prohibited supplier check will be performed as part of the normal processes by reference to the National Treasury database.	Immediately	SCM Manager
2	Payments not made within 30 days	All invoices received at a centralized office and stamped. Invoice register monitored weekly. Requesting departments have tasked certain staff members to follow up on monthly payments to Eskom and Telkom.	Immediately	All Directors
3	Awards made to persons in the service of the state	The municipality has flagged these suppliers and will not continue to do business with them. In addition, request for quotations documents will have spaces provided to remind prospective suppliers to declare their interests.	Immediately	SCM Manager
4	Non compliance & weaknesses identified on the performance information	Reviewing of the PMS policy and submission to council for approval. The general KPI's will be included on the IDP going forward.	31 January 2012	Senior manager: IDP
OTHER MATTERS				
5	Awards made to employees in the service of the auditee	All declarations for employees and councilors will be updated and presented to the municipal manager.	31 January 2012	Municipal manager
6	Leave days difference between system and leave forms	Introduction of the HR module which will assist in the alignment	Immediately	Director: Corporate services
7	Information not uploaded on the website	Website will be monitored by designated staff within the communications department and technical errors will be rectified by IT department.	31 January 2012	Senior manager: communications
8	KPI's not clearly defined on performance report and inconsistency between annual performance plan and annual performance report	The 2011/12 SDBIP will be corrected to ensure that KPI's are clearly defined and inconsistencies are rectified. The next IDP will also be corrected going forward.	31 March 2012	Senior manager: IDP
9	KPI's without budget allocation on the SDBIP	This has been rectified in the 2011/12 year.	Immediately	Senior manager: IDP
ADMINISTRATIVE MATTERS				
10	VAT on tender income not accounted for on general ledger	System to be corrected to automatically perform this adjustment when tender income is recorded	Immediately	CFO



Umzumbwe Local Municipality

***Annual Financial Statements
For the year ended 30 June 2011***



Umzumbwe

M U N I C I P A L I T Y

Auditor General
Issued 31 August 2011





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

General Information

Legal form of entity	Local Municipality
Accounting Officer	Ngesi M.J (Acting since 1 August 2010)
Chief Finance Officer (CFO)	Audan K.
Registered office	Sipofu Road Mathulini Tribal Authority 4220
Business address	Sipofu Road Mathulini Tribal Authority 4220
Postal address	P.O. Box 561 Hibberdene 4220
Bankers	ABSA Bank Limited
Auditors	Auditor General South Africa



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Index

The reports and statements set out below comprise the annual financial statements presented to the Council:

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ABBREVIATIONS

CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice HDF Housing Development Fund
IMFO	Institute of Municipal Finance Officers
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2012 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the grant allocations through the Division of revenue act (DORA) for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Umzumbe Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, they are supported by the municipality's Chief Financial Officer.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements set out on pages 5 to 29, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2011 and were signed on its behalf by:

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 16 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Dr M.J Ngesi (Acting - Appointed 1 August 2010)
Municipal Manager





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Position

	Note (s)	2011 R	2010 R
Assets			
Current Assets			
Operating lease asset	3	179 897	47 112
Other receivables	4	540 771	360 377
VAT receivable	5	7 204 282	5 951 605
Trade and other receivables from non exchange transactions	6	527 778	595 478
Cash and cash equivalents	7	15 617 517	19 786 492
		24 070 245	26 741 064
Non-Current Assets			
Property, plant and equipment	2	113 066 235	84 316 397
Non-Current Assets		113 066 235	84 316 397
Current Assets		24 070 245	26 741 064
Total Assets		137 136 480	111 057 461
Liabilities			
Current Liabilities			
Trade and other payables	11	5 229 789	6 627 014
Unspent conditional grants and receipts	9	1 445 624	15 796 416
Provisions	10	1 306 192	979 985
		7 981 605	23 403 415
Current Liabilities		7 981 605	23 403 415
Total Liabilities		7 981 605	23 403 415
Assets		137 136 480	111 057 461
Liabilities		(7 981 605)	(23 403 415)
Net Assets		129 154 875	87 654 046
Net Assets			
Accumulated surplus		129 154 875	87 654 046



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Performance

	Note (s)	2011 R	2010 R
Revenue			
Property rates	12	1 542 607	771 400
Interest received	25	1 420 804	1 558 947
Government grants & subsidies	13	95 485 756	79 405 298
Other income	26	729 912	1 231 369
Total Revenue		99 179 079	82 967 014
Expenditure			
Employee related costs	15	(15 977 840)	(13 953 116)
Remuneration of councillors	16	(7 863 775)	(7 890 532)
Depreciation and amortisation		(6 123 338)	(3 626 133)
Impairment loss		—	(3 020 210)
Debt impairment	6	(188 278)	(94 139)
Repairs and maintenance		(657 265)	(459 048)
Community participation		(3 096 705)	(1 128 184)
General Expenses	14	(23 299 042)	(23 858 969)
Total Expenditure		(57 206 243)	(54 030 331)
Loss on disposal of assets		(342 275)	(302 345)
Revenue		99 179 079	82 967 014
Expenditure		(57 206 243)	(54 030 331)
Other		(342 275)	(302 345)
Surplus for the year		41 630 561	28 634 338



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Statement of Change in Net Assets

	Accumulated surplus R	Total net assets R
Opening balance as previously reported	58 018 581	58 018 581
Adjustments		
Prior year adjustments (Note 24)	1 541 548	1 541 548
Reallocation of balance	(732 766)	(732 766)
Assets under construction	192 345	192 345
Balance at 01 July 2009	59 019 708	59 019 708
Changes in net assets		
Surplus for the year	28 634 338	28 634 338
Total changes	28 634 338	28 634 338
Opening balance as previously reported	87 654 047	87 654 047
Adjustments		
Prior year error (Note 24)	(151 934)	(151 934)
Balance at 01 July 2010	87 524 314	87 524 314
Changes in net assets		
Surplus for the year	41 630 561	41 630 561
Total changes	41 630 561	41 630 561
Balance at 30 June 2011	129 154 875	129 154 875
Notes 8		



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Cash Flow Statement

	Note(s)	2011 R	2010 R
Cash flows from operating activities			
Receipts			
Cash receipts for equitable share, conditional grants and from debtors		79 499 345	77 489 590
Cash Receipts from debtors		1 422 029	81 783
Interest Received		1 420 804	1 558 947
		<u>82 342 178</u>	<u>79 130 320</u>
Payments			
Cash paid to suppliers and employees		(51 317 901)	(37 619 148)
Total receipts		<u>82 342 178</u>	<u>79 130 320</u>
Total payments		<u>(51 317 901)</u>	<u>(37 619 148)</u>
Net cash flows from operating activities	17	<u>31 024 277</u>	<u>41 511 172</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(35 480 402)	(31 136 407)
Proceeds from sale of property, plant and equipment	2	467 035	436 786
Prior year adjustments		151 934	-
Other cash item		10 456	(58 096)
Net cash flows from investing activities		<u>(35 193 252)</u>	<u>(31 060 062)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(4 168 975)</u>	<u>10 451 110</u>
Cash and cash equivalents at the beginning of the year		<u>19 786 492</u>	<u>9 335 382</u>
Cash and cash equivalents at the end of the year	7	<u>15 617 517</u>	<u>19 786 492</u>





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised

Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below:

GRAP - 1 Presentation of Financial Statements

GRAP - 2 Cashflow Statements

GRAP - 3 Accounting Policies, Changes in Accounting Estimates and Errors

GRAP - 9 Revenue from Exchange Transactions

GRAP - 13 Leases

GRAP - 17 Property Plant and Equipment

GRAP - 19 Provisions, Contingent Liabilities and Contingent Assets

GRAP - 26 Impairment of Cash Generating Assets

1.1 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.1 Property, plant and equipment (continued)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Infrastructure	
• Levelling Drains on roads	20
• Roads construction	10
• Road gravelling	10
• Borehole pump	15
Other	
• Buildings	30
• Furniture and Fittings	8
• Transport Assets	5
• Computer equipment	5
Plant and Equipment	
• Tip Traller	15
• Furrow Plough	5
• Harrow Offset	5
• Tractors	10
• Hydroponic Tunnel	10
• Grader	15
• TLB	15





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.1 Property, plant and equipment (continued)

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2. Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.2 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
• Computer software, other	3 years

1.3. Financial Instruments

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.3 Financial Instruments (continued)

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit plans

The defined benefit obligation, the related current cost and where applicable, past service cost, is determined by using the Projected Unit Credit Method. A portion of the actuarial gains and losses is recognised as revenue or expense, provided the net cumulative actuarial gains and losses at the end of the previous reporting period exceed greater of:

- 10% of the present value of the defined benefit obligation at that date before deducting plan assets; and
- 10% of the fair value of the plan assets

The portion of the actuarial gains and losses to be recognised is equal to the excess calculated, using the above limits and divided by the expected average remaining working lives of the employees participating in the plan. Unvested past-service costs are recognised as an expense in the Statement of Financial Performance.





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.5 Employee benefits (continued)

For defined benefit plans the costs of providing the benefits is determined using the projected credit method.

The Municipality's employees are members of the following Benefit Schemes. Natal Joint Municipal Pension Fund (a State and Multi Employer Defined Benefit Plan). Kwazulu Natal Joint Provident Fund (a State and Multi Employer Defined Contribution Plan). Along with other Municipalities in the province of Kwazulu Natal, uMzumbe participates in a multi employer defined plan. Because the plan exposes the participating entities to actuarial risks associated with the current and former employees of other municipalities participating in the plan there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual municipalities participating in the plan. uMzumbe therefore accounts for the plan as if it were defined contribution plan per Exposure Draft No. 49.

Pension, Provident, Retirement Benefits and Group Life Scheme

The municipality provides retirement benefits for its employees in the form of both defined benefit and defined contribution plans. The municipality is no longer providing a retirement benefits for the councilors, because they are now getting a total package.

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement. A defined contribution plan is a plan under which the municipality pays a fixed contribution into a separate entity. The municipality has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior period.

The contributions to fund obligations for the payment of retirement benefits are charged against the revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognized as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

The municipality also contributes to a Group Life Scheme for all employees in the event of their death, other than section 57 employees.

1.6 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.6 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Contingent assets and contingent liabilities are not recognised but disclosed as a note in the financial statements.

1.7 Revenue

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from unconditional grants are recognised immediately upon receipt.

Revenue from Tender sales is recognised when the bidders have actually bought the tender documents and cash has been received.

Rates

Revenue from rates is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Conditional grants and receipts

Conditional grants, donations and funding are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If grants are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.8 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.9 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.10 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.11 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.12 Irregular expenditure

Irregular expenditure is an expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), Municipal Systems Act (Act No. 32 of 2000), Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes an unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.13 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.14 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.15 Internal reserves

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

1.16 Value Added Tax (VAT)

The municipality accounts for Value Added Tax on the cash basis with respect to the South African Revenue Service.



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

2. Property, plant and equipment

	2011	
	Cost / Valuation	Accumulated depreciation and accumulated impairment
	R	R
Solid Waste Disposal	37 794	(4 892)
Dwellings	431 776	(105 943)
Computer Equipment	1 608 772	(851 632)
Furniture & Office Equipment	2 231 910	(1 136 849)
Non Residential Dwellings	48 450 912	(8 977 126)
Transport Assets	2 591 858	(620 918)
Machinery & Equipment	3 181 825	(1 274 836)
Roads	65 326 821	(6 466 579)
Assets under construction	8 643 342	—
Total	132 505 010	(19 438 775)

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions
	R	R
Solid Waste Disposal	34 603	—
Dwellings	369 010	—
Computer Equipment	834 205	229 394
Assets Under Construction	15 604 878	24 261 665
Furniture & Office Equipment	1 223 745	185 420
Non Residential Dwellings	38 920 710	1 129 534
Transport Assets	1 868 353	852 941
Machinery Equipment	2 325 516	7 500
Roads	23 135 377	8 813 948
	84 316 397	35 480 402





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Carrying value	2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
R	R	R	R
32 902	37 794	(3 191)	34 603
325 833	431 776	(62 766)	369 010
757 140	1 462 364	(628 159)	834 205
1 095 061	2 082 813	(859 068)	1 223 745
39 473 786	46 301 678	(7 380 968)	38 920 710
1 970 940	2 331 734	(463 381)	1 868 353
1 906 989	3 424 520	(1 099 004)	2 325 516
58 860 242	26 309 371	(3 173 994)	23 135 377
8 643 342	15 604 878	–	15 604 878
113 066 235	97 986 928	(13 670 531)	84 316 397

Disposals	Transfers	Depreciation	Total
R	R	R	R
–	–	(1 701)	32 902
–	–	(43 177)	325 833
(17 432)	–	(289 027)	757 140
–	(31 223 201)	–	8 643 342
(23 868)	–	(290 236)	1 095 061
–	1 019 699	(1 596 157)	39 473 786
(400 851)	–	(349 503)	1 970 940
(165 076)	–	(260 951)	1 906 989
–	30 203 502	(3 292 585)	58 860 242
(607 227)	–	(6 123 337)	113 066 235



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Transfers
	R	R	R	R
Buildings	1 660 879	-	-	(1 660 879)
Plant and machinery	2 607 187	-	-	(2 607 187)
Furniture and fixtures	949 768	-	-	(949 768)
Motor vehicles	1 372 026	-	-	(1 372 026)
Office equipment	485 314	-	-	(485 314)
IT equipment	831 107	-	-	(831 107)
Infrastructure	12 962 593	-	-	(12 962 593)
Community	34 086 303	-	-	(34 086 303)
Solid Waste Disposal	-	-	-	36 304
Dwellings	-	188 000	-	216 513
Computer Equipment	-	205 840	(81 185)	911 153
Assets Under construction	3 486 050	30 294 497	-	-
Furniture & Office Equipment	-	129 987	(33 737)	1 332 968
Non Residential Dwellings	-	10 088	-	40 779 807
Transport Assets	-	298 195	(321 072)	1 870 608
Machinery Equipment	-	9 800	(792)	2 591 782
Roads	-	-	-	8 611 642
	58 441 227	31 136 407	(436 786)	1 395 600

Transitional provisions

Due to initial adoption of GRAP 17

The Municipality is complying with Directive 4 with regards to adoption of GRAP 17. The process of componentising assets is in progress and most assets have been componentised to date. In accordance with Directive 4 for Low capacity municipalities, the date of full compliance with GRAP 17 is expected to be 30 June 2012.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.





Donations	Other changes, movements	Depreciation	Impairment loss	Total
R	R	R	R	R
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(1 701)	-	34 603
-	-	(35 503)	-	369 010
73 127	-	(274 730)	-	834 205
-	(18 175 669)	-	-	15 604 878
66 619	-	(272 092)	-	1 223 745
15 652	2 549 632	(1 492 045)	(2 942 424)	38 920 710
270 220	-	(249 598)	-	1 868 353
673	-	(275 947)	-	2 325 516
-	15 626 037	(1 024 516)	(77 786)	23 135 377
426 291	-	(3 626 132)	(3 020 210)	84 316 397



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

	2011 R	2010 R
3. Operating lease asset		
Current asset	179 897	47 112
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference of R179,897 (2010: R47 112) between the amounts recognised as an expense and the contractual payments that have been recognised as an operating lease asset.		
4. Other receivables		
Sundry debtors	537 833	339 923
Interest	2 938	20 454
Rei Management	2 379 003	2 379 003
Rei Management (Provision for Bad debts)	(2 379 003)	(2 379 003)
	540 771	360 377
5. VAT receivable		
Value Added Tax (VAT)	7 204 282	5 951 605
The municipality is predominantly funded by Government Grants which are zero rated. Therefore VAT input has been claimed which has not been received as yet.		
6. Trade and other receivables from non exchange transactions		
Gross balances		
Rates	810 195	689 617
Less: Provision for debt impairment		
Rates	(282 417)	(94 139)
Net balance		
Rates	527 778	595 478
Rates		
Current (0 -30 days)	82 535	106 047
31 - 60 days	22 649	-
61 - 90 days	15 835	128 566
91 - 120 days	81 168	128 567
121 - 365 days	325 591	232 298
	527 778	595 478
Reconciliation of debt impairment provision		
Balance at beginning of the year	(94 139)	-
Contributions to provision	(188 278)	(94 139)
	(282 417)	(94 139)



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

	2011 R	2010 R
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	606	601
Bank balances	6 044 510	10 210 672
Short-term deposits	9 572 401	9 575 219
	15 617 517	19 786 492

The short-term investments deposits are attributable to unspent conditional grants. The short-term investments are held in First National Bank Ltd in Port Shepstone.

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
ABSA BANK LTD - Port Shepstone - 40-7276-2850	7 297 645	10 778 447	5 355 089	9 976 062
ABSA Housing Account - Port Shepstone - 40-7278-0715	577 438	108 185	577 438	108 185
ABSA MIG Account - Port Shepstone 40 - 7277-6506	111 983	108 185	111 983	108 185
Total	7 987 066	10 994 817	6 044 510	10 192 432

	2011 R	2010 R
8. Accumulated surplus		
Opening Accumulated surplus	Government grant reserve 29 216 191	29 216 191

Ring-fenced internal funds and reserves within accumulated surplus

	Government grant reserve	Total
Opening balance	25 730 139	25 730 139
Assets under construction	3 486 052	3 486 052
	29 216 191	29 216 191

9. Unspent conditional grants and receipts		
Movement during the year		
Balance at the beginning of the year	15 796 416	8 886 763
Additions during the year	19 978 180	38 263 595
Income recognition during the year	(34 328 972)	(31 353 942)
	1 445 624	15 796 416

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited. See appendices for reconciliation of grants from National/Provincial Government.





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

10. Provisions

Reconciliation of provisions - 2011

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	979 985	1 306 192	(316 319)	(663 666)	1 306 192

Reconciliation of provisions - 2010

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	806 672	979 985	(285 761)	(520 911)	979 985

	2011 R	2010 R
11. Trade and other payables		
Trade payables	5 027 650	6 486 409
Other payables	182 139	140 605
Accrued expense	20 000	—
	5 229 789	6 627 014

12. Property rates

Rates received
Property rates

1 542 607 771 400

13. Government grants and subsidies

Equitable share	60 966 790	48 056 023
MIG	31 921 714	27 959 824
MSIG	591 998	735 000
Low Cost Housing Grant	630 254	591 274
Financial Management Grant	1 250 000	1 037 705
MAP	—	299 768
LED strategy	—	86 991
Youth Advisory Centre	125 000	108 667
Governance grant	—	21 052
Capacity support grant	—	18 565
Burial Support	—	16 954
Property rates	—	6 679
Water drought relief	—	6 424
CDW	—	854
IDP	—	51 666
Governance structures and HR systems and PP	—	307 852
Project consolidate	—	100 000
	95 485 756	79 405 298



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

	2011 R	2010 R
14. General expenses		
Advertising	143 201	146 805
Auditors remuneration	477 483	453 379
Bank charges	87 147	81 808
Consulting and professional fees	1 650 037	863 909
Consumables	88 713	78 670
Entertainment	153 035	154 099
Insurance	28 071	597 577
Community development and training	540 552	253 266
Conferences and seminars	91 022	38 018
Lease rentals on operating lease	97 438	179 415
Marketing	106 586	69 090
Magazines, books and periodicals	267	1 128
Motor vehicle expenses	830 634	655 258
Printing and stationery	457 859	448 652
Security (Guarding of municipal property)	232 873	107 471
Telephone and fax	1 311 349	1 232 037
Training	446 080	208 521
Travel - local	735 668	798 315
Electricity	45 073	90 095
Free basic services (Electricity & Water)	3 134 991	5 232 161
Uniforms	22 090	9 483
Tourism development	211 321	697 599
Projects expenditure	6 555 642	6 536 428
Other expenses	5 851 910	4 925 785
	23 299 042	23 858 969
15. Employee related costs		
Basic	10 646 194	6 669 514
Bonus	798 902	613 297
Medical aid - company contributions	546 754	419 294
UIF	78 877	66 245
SDL	180 157	109 595
Leave pay provision charge	187 384	285 761
Post-employment benefits - Pension - Defined contribution plan	1 185 766	909 140
Travel, motor car, accommodation, subsistence and other allowances	2 164 920	4 277 332
Overtime payments	99 059	324 656
Acting allowances	72 766	92 027
Housing benefits and allowances	4 603	90 369
Other expenses	12 458	95 886
	15 977 840	13 953 116



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

15. Employee related costs (continued)

A split of payroll related accounts between employee and councillor costs resulted in the reclassification of the travel and vehicle accounts which were previously used for both payroll classes

Travel, motor car, accommodation, subsistence and other allowances

R3,692,310

Other expenses

R 479,121

Remuneration of Acting Municipal Manager

Annual Remuneration

74 086

349 775

Car Allowance, Entertainment and Telephone Allowance

58 002

223 268

Performance Bonuses

–

39 800

Housing Allowances

4 603

55 233

Other

1 067

12 644

138 558

680 720

Remuneration of Chief Financial Officer

Annual Remuneration

421 126

358 450

Car, Entertainment and Telephone Allowances

112 000

89 920

Other

921

3 764

534 047

452 134

Remuneration Corporate Services Director

Annual Remuneration

388 593

421 287

Car, Entertainment and telephone Allowances

130 686

123 519

Performance Bonuses

38 295

30 324

Other

25 719

11 728

583 293

586 858

Remuneration of Technical Services Director

Annual Remuneration

421 126

306 875

Car, Entertainment and Telephone Allowances

112 000

87 291

Performance Bonuses

–

30 324

Housing Allowances

–

45 696

Other

248

3 504

533 374

473 690

Remuneration of Social & Community Services Director

Annual Remuneration

331 717

221 127

Car Allowance

187 562

134 015

Other

43 308

2 654

562 587

357 796





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

	2011 R	2010 R
16. Remuneration of councillors		
Mayor	524 129	499 850
Deputy Mayor	482 224	415 867
Speaker	458 552	415 867
Councillors	6 398 870	6 558 948
	7 863 775	7 890 532
17. Cash generated from operations	41 630 561	28 634 339
Surplus Adjustments for:		
Depreciation and amortisation	6 123 338	3 626 133
Loss on sale of assets	342 275	302 345
Impairment deficit	–	3 020 210
Debt impairment	188 278	94 139
Movements in provisions	326 207	173 313
Other non-cash items	(151 930)	(36 566)
Changes in working capital:		
Operating lease asset	(132 785)	(47 112)
Other receivables	(180 394)	(392 384)
Consumer debtors	(120 578)	(689 617)
Trade and other payables	(1 397 226)	2 817 280
VAT	(1 252 677)	(2 900 561)
Unspent conditional grants and receipts	(14 350 792)	6 909 653
	31 024 277	41 511 172
18. Commitments		
Authorised capital expenditure		
Approved and contracted for:		
• Infrastructure	34 639 076	26 773 189
Approved but not yet contracted for:		
• Infrastructure	13 297 142	12 875 292

This committed expenditure relates to Infrastructure and will be financed by Government grants.



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

19. Related Party Transactions

Section 45 (2) and 44 of SCM Regulations

Purchases from related parties

Bulomo Commodities	6 000	—
Hlwanyela Emphakathini Project Managers	16 700	—
Makhosohlanga Construction	21 500	—
Don't Rush Construction and Trading	10 150	—
Luthulis and Shibes Construction and Catering	26 500	—
Cwija Trading Enterprise	37 967	—
Zophaka Catering and Trading Enterprise	21 840	—
FAKSIN CC	16 952	—

2011 R	2010 R

BULOMO COMMODITIES - 100 % owned by MPL Zungu who is a councillor of the Municipality

HLWANYELA EMPHAKATHINI PROJECT MANAGERS - 50 % owned by MP Daniels who is an employee of the Municipality

MAKHOSOHLANGA CONSTRUCTION - 60 % owned by MA Sikhosana who is a councillor of the Municipality

DON'T RUSH CONSTRUCTION AND TRADING - 40 % owned by MA Sikhosana who is a councillor of the Municipality LUTHULIS AND SHIBES CONSTRUCTION AND CATERING - 40 % owned by OT Luthuli who was an employee of the Municipality

CWIJA TRADING ENTERPRISE - 50 % owned by EN Jawara who is an employee of the Municipality

ZOPHAKA CATERING AND TRADING ENTERPRISE - 25 % owned by MA Sikhosana who is a councillor of the Municipality

FAKSIN CC - Owned by S. Ndelu. S Ndelu is related to N. Ndelu who is an employee of the Municipality.

20. Unauthorised expenditure

Opening balance	4 783 504	8 152 039
Unauthorised expenditure current year	—	2 404 501
Less: Amounts condoned	(2 404 501)	(5 773 036)
	2 379 003	4 783 504



UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

21. Fruitless and wasteful expenditure

Opening balance
Current year expenditure
Less: Amounts condoned

118 150	162 881
30 253	118 150
(118 150)	(162 881)
30 253	118 150

The Municipality incurred fruitless and wasteful expenditure of R30 253 due to interest and penalties arising from late payments to Eskom and Telkom.

Action

The expenditure will be reported to Council.

22. Irregular expenditure

Opening balance
Add: Irregular Expenditure - current year
Less: Amounts condoned

2011 R	2010 R
4 895 216	6 179 384
1 225 369	4 558 688
(4 895 216)	(5 842 856)
1 225 369	4 895 216

Details of irregular expenditure – current year

INCIDENT

During the year, the municipality awarded a contract to Fidelity Security Services for the provision of security services. The municipality was unaware that the company is listed on the National Treasury's database as a prohibited supplier from doing business with any public entity. As a result the municipality incurred irregular expenditure amounting to R83 169.96 which represents the total paid to Fidelity Security Services.

ACTION

The expenditure will be reported to the Council.

83 170

During the year, the municipality procured from suppliers who were in the service of the state. As a result, irregular expenditure of R1 142 198.63

1 142 199

was incurred which was beyond the control of the municipality as the municipality had relied on declarations forms and was unable to verify these declarations.

The expenditure will be tabled to council for condonment.

1 225 369





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

23. Retirement Benefit Information

The Municipality's employees are members of the following Benefit Schemes. Natal Joint Municipal Pension Fund (a State and Multi Employer Defined Benefit Plan). Kwazulu Natal Joint Provident Fund (a State and Multi Employer Defined Contribution Plan). Along with other Municipalities in the province of Kwazulu Natal, uMzumbe participates in a multi employer defined plan. Because the plan exposes the participating entities to actuarial risks associated with the current and former employees of other municipalities participating in the plan there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual municipalities participating in the plan. uMzumbe therefore accounts for the plan as if it were defined contribution plan per Exposure Draft No. 49.

24. Prior year adjustments

Adjustments for assets

Non Residential Dwellings

Adjustment for prior year errors

Correction of error on Creditors General ledger

Correction of an over realisation of Housing Grant

Adjustment for provision for doubtful debts

Reallocation of balance

Adjustment for prior year cheques

Correction of difference between current year creditors age analysis and ledger

Prior year accrual not reversed

2011 R	2010 R
-	(1 541 548)
-	(732 766)
(151 934)	-
(151 934)	(732 766)
-	93 340
-	244 314
-	(51 969)
-	192 345





UMZUMBE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

25. Interest Received

Interest from investments with First National Bank

1 420 804	1 558 947
-----------	-----------

26. Other Income

Creditors discount-Finance & Admin-Finance

246 561	281 473
---------	---------

Rental income-Finance & Admin-Finance

30 000	-
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Tender income-Finance & Admin-Finance

89 456	77 897
--------	--------

Other Income

363 895	871 999
---------	---------

729 912	1 231 369
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ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT A5 AT 30 JUNE 2011

APPENDIX A

Description	Cost				
	Balance 30/6/2010	Total additions	Disposals 2011	Balance 30/6/2011	
Assets under construction	15,604,878.30	-6,961,536.35	-	- 8,643,341.95	
Computer equipment	1,462,364.62	229,394.43	-82,987.64	1,608,771.41	
Dwellings	431,775.78	-	-	431,775.78	
Furniture and office equipment	2,082,813.40	185,420.25	-36,323.65	2,231,910.00	
Machinery and equipment	3,424,520.40	7,500.00	-250,195.60	3,181,824.80	
Non residential dwellings	46,301,678.10	2,149,234.52	-	48,450,912.62	
Roads	26,309,371.16	39,017,449.88	-	65,326,821.04	
Solid waste disposal	37,793.73	-	-	37,793.73	
Transport assets	2,331,733.74	852,941.40	-592,816.91	2,591,858.23	
	97,986,929.23	35,480,404.13	-962,323.80	132,505,009.56	



	Accumulated depreciation				Impairment	Carrying value	
	Balance 30/6/2010	Depreciation 2011	Disposals 2011	Balance 30/6/2011	Accumulated impairment 2011	Carrying value 30/6/2010	Carrying value 30/6/2011
	–	–	–	–	–	15,604,878.30	8,643,341.95
	628,158.68	289,027.11	-65,554.28	851,631.51	–	834,205.94	757,139.90
	62,765.52	43,177.58	–	105,943.10	–	369,010.26	325,832.68
	859,068.40	290,236.33	-12,455.47	1,136,849.26	–	1,223,745.00	1,095,060.74
	1,099,003.93	260,951.30	-85,118.87	1,274,836.36	–	2,325,516.47	1,906,988.44
	4,438,544.04	1,596,157.75	–	6,034,701.79	2,942,424.19	38,920,709.87	39,473,786.64
	3,096,208.23	3,292,585.26	–	6,388,793.49	77,785.98	23,135,376.95	58,860,241.57
	3,190.95	1,701.16	–	4,892.11	–	34,602.78	32,901.62
	463,380.83	349,501.68	-191,964.98	620,917.53	–	1,868,352.91	1,970,940.70
	10,650,320.58	6,123,338.17	-355,093.60	16,418,565.15	3,020,210.17	84,316,398.48	113,066,234.24



**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2011**

APPENDIX B

	Cost				
Description	Balance 30/6/2010	Total additions	Disposals 2011	Balance 30/6/2011	
Executive and council	1,276,192.92	679,918.26	-45,532.25	1,910,578.93	
Financial and admin	16,216,284.31	465,529.52	-885,621.14	15,796,192.69	
Technical services	41,921,020.17	30,350,390.60	1,560.53	72,269,850.24	
Planning and development	64,884.43	21,236.66	-	86,121.09	
Community & social services	38,508,547.40	3,963,329.09	-29,609.88	42,442,266.61	
	97,986,929.23	35,400,404.13	-962,323.80	*****	



	Accumulated depreciation				Impairment	Carrying value	
	Balance 30/6/2010	Depreciation 2011	Disposals 2011	Balance 30/6/2011	Accumulated Impairment 2011	Carrying value 30/6/2010	Carrying value 30/6/2011
	490,960.46	269,646.38	-39,141.21	721,465.63	-	785,232.46	1,189,113.30
	3,368,533.16	1,095,680.23	-295,348.25	4,168,865.14	-	12,847,751.15	11,627,327.55
	3,232,527.46	3,323,974.34	-651.58	6,555,850.22	77,785.98	38,610,706.73	65,636,214.04
	27,904.07	10,882.83	-	38,786.90	-	36,980.36	47,334.19
	3,530,395.43	1,423,154.39	-19,952.56	4,933,597.26	2,942,424.19	32,035,727.78	34,566,245.16
	10,650,320.58	6,123,338.17	-355,093.60	16,418,565.15	3,020,210.17	84,316,398.48	113,066,234.24



SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

APPENDIX C

2010			Classification by function	
Actual Revenue R	Actual Expenditure R	Surplus / (Deficit) R		
8,799,936	5,768,047	3,031,889	Executive & Council	
50,234,206	32,742,249	17,491,957	Financial and Administration Services	
8,368,032	5,484,949	2,883,083	Technical Services	
11,772,316	5,782,571	2,989,746	Planning and Development Services	
6,494,727	4,257,064	2,237,663	Community and Social Services	
82,669,217	54,034,879	28,634,338		
82,669,217	54,034,879	28,634,338	Total	



	2011		
	Actual Income R	Actual Expenditure R	Surplus / (Deficit) R
	16,455,681	9,496,193	6,959,488
	47,895,019	27,639,100	20,255,911
	12,682,806	7,318,954	5,363,852
	2,653,844	1,531,472	1,122,372
	19,491,730	11,562,792	7,928,938
	99,179,080	57,548,519	41,630,561
	99,179,080	57,548,519	41,630,561



ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2011

APPENDIX D

Revenue	2011 Actual R	2011 Budget R	2011 Variance R	2011 Variance (%)	
Property rates	1,542,607	4,729,000	3,186,393	67.4%	
Interest earned - external investment	1,420,804	1,000,000	(420,804)	-42.1%	
Government grants and subsidies	95,485,756	84,377,280	(11,108,476)	-13.2%	
Other income	729,912	4,746,588	4,016,676	84.6%	
Total revenue	99,179,079	94,852,868	(7,512,604)	-7.9%	

Expenditure

Salary related costs	23,841,615	27,384,460	3,542,845	12.9%	
Depreciation and amortisation	6,123,338	5,956,628	(166,710)	-2.8%	
Repairs and maintenance and debt impairment	845,543	1,004,900	159,357	15.9%	
Community participation	3,096,705	2,975,000	(121,705)	-4.1%	
General expenses	23,641,317	23,768,331	127,014	0.5%	
Total expenditure	57,548,518	61,089,319	3,540,801	5.8%	
Net surplus for the year	41,630,561	33,763,549	(3,971,803)		





	Explanation of Significant Variances greater than 10%
	It was anticipated that R3 million would be received by Department of Public Works for payment of rates as reflected in the provincial gazette. However the budgeted amount billed to ratepayers reflected R1.7 million and actual revenue collected amounted to R1.4 million. Thus there was an effective 82% collection rate achieved.
	Surplus funds were invested for longer periods than anticipated. In addition interest rates achieved on investments were competitive.
	There has been more spending of conditional grants which resulted in more realisation of income.
	The budget for other income included the VAT refund which was anticipated. However this was not treated as income.

	The organogram was reviewed during the year and various positions were not filled.
	Not required
	The buildings, plant and equipment were in fair condition resulting in less spending on maintenance costs than anticipated
	Not required
	Not required



**ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)
FOR THE YEAR ENDED 30 JUNE 2011**

APPENDIX D (2)

	2011 Actual additions R	2011 Under construction R	2011 Total additions R	
Computer Equipment	229,394	–	229,394	
Furniture, Machinery and Office Equipment	192,920	–	192,920	
Transport Assets	852,941	–	852,941	
Road and Infrastructure	9,943,483	24,261,665	34,205,148	
Total	11,218,739	24,261,665	35,480,404	





	2011 Budget R	2011 Variance R	2011 Variance %	Explanation of significant variances greater than 10 %
	265,000	35,606	13.44%	Computed equipment was in fair condition resulting in less spending than anticipated.
	185,000	(7,920)	(4.28%)	Not required.
	718,000	(134,941)	(18.79%)	Carbon tax levied on vehicles was not anticipated which resulted in higher costs than expected.
	54,070,542	19,865,394	36.74%	Projects were carried over to the new financial year as they were not completed.
	55,238,542	19,758,138	35.77%	



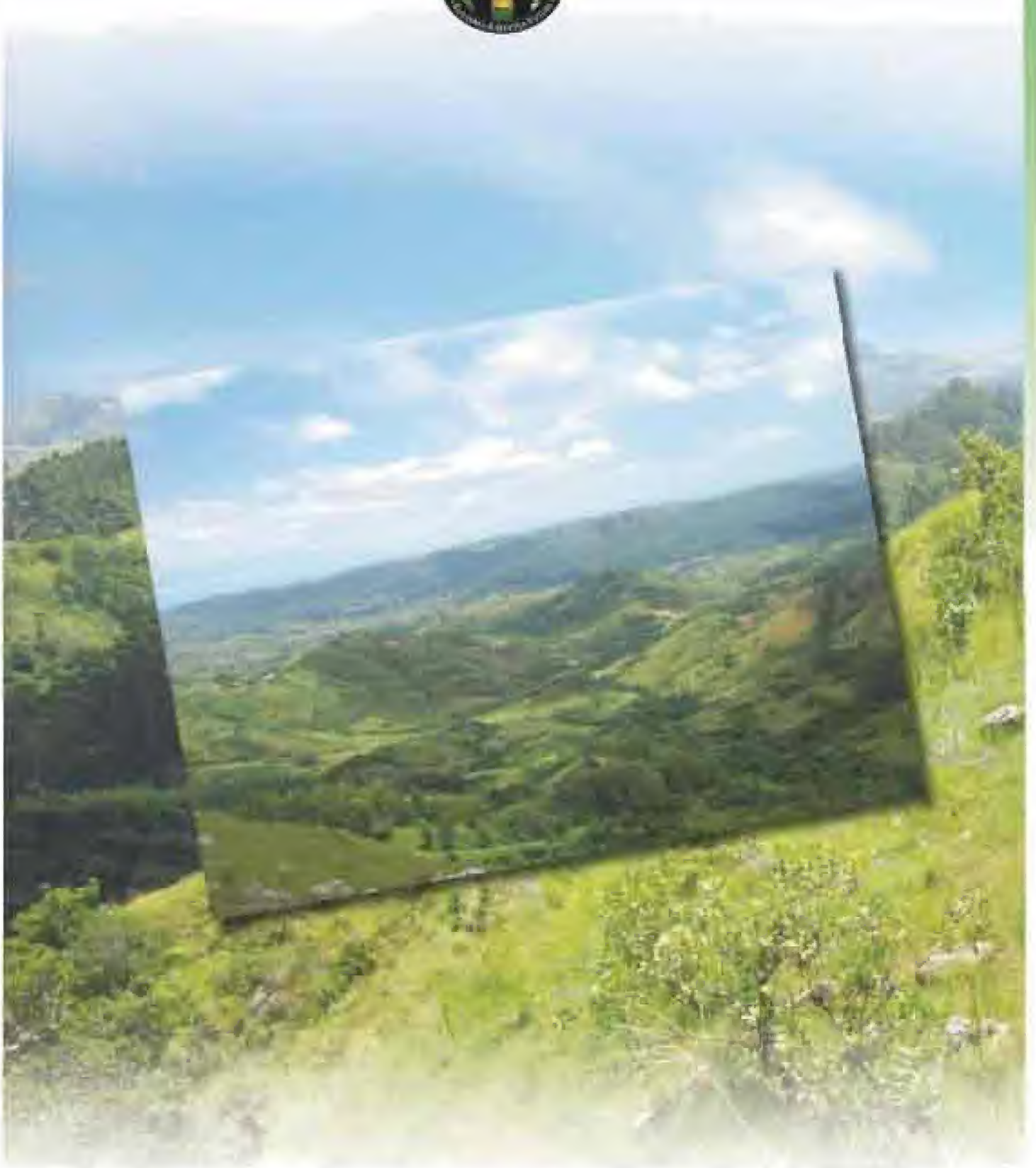
GRANTS REGISTER FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

APPENDIX E

Grant Name	Balance unspent beginning of period 1 July 2010	Current Year Receipts	
Project consolidate	74,951	-	
Municipal systems improvement grant	-	750,000	
Financial management grant	-	1,250,000	
GIS grant	73,846	-	
Municipal infrastructure grant	14,553,066	16,645,000	
Low cost housing grant	961,586	208,180	
Youth advisory center grant	-	125,000	
Internal Auditor	285,000	-	
KZN Pounds Act	-	1,000,000	
	15,948,449	19,978,180	



	Current Year Expenditure	Interest Received this year	Balance unspent end of period 30 June 2011
	-		74,951
	591,998		158,002
	1,250,000		-
	-		73,846
	31,921,714		-723,648
	630,254	37,961	577,473
	125,000		-
	-		285,000
	-		1,000,000
	34,518,966	37,961	1,445,624





Chapter 5

Functional Areas

FUNCTIONAL AREAS

Municipal Manager's Office

Technical Services

Social and Economic Development

Corporate Services

Treasury

ANNUAL PERFORMANCE REPORT





MUNICIPAL MANAGER'S OFFICE

This department is headed by the Municipal Manager and has three sections as explained below.

DEVELOPMENT PLANNING

Responsible for Integrated Development Planning (IDP), Performance Management System (PMS) which encourages a culture of accountability and performance and development control.

MAYORALTY AND COMMUNICATIONS

Responsible for planning, developing and implementing strategies and projects to achieve a co-ordinated internal and external communication process, support the administrative functioning of the Mayor's office.

YOUTH DEVELOPMENT

The Office is responsible for advancing interests of young people within Umzumbe Municipality.

The overall functions of this section are:

- Development of the municipal Integrated Development Plan
- Development of sector plans
- Statutory planning
- Municipal Performance management system
- Communication and community participation
- Youth development
- Special programmes
- Ward Committees

TECHNICAL SERVICES

This Department is headed by Director: Technical Services and has two sections, namely: Housing Development and Project management Units. Both the sections are assigned managers.

The function of this department is mainly the provision of infrastructure and basic services. This department receives funding to implement projects from the following sources: Municipal Infrastructure Grant, Equitable Share allocation, Municipal generated revenue, Department of Sports and Recreation and other government Departments.

The Technical Services Department is assigned with the following duties by the municipality.

- Road Infrastructure development and maintenance

- Community Halls construction and maintenance
- Delivery of Basic Services
- Housing Development
- Waste Management
- Development of infrastructure sector plans
- Electricity Connections
- Draught Relief Programme

SOCIAL AND ECONOMIC DEVELOPMENT

This department is headed by Director: Social and Economic Development and comprises of three units namely: Community Services; Local Economic Development; Disaster Management. Each section is assigned a manager.

- **Community Services**—is responsible for all community related programmes to enhance community development and standard way of life.
- **Local Economic Development** – facilitating and co-ordinating activities and programmes that would yield shared economic growth and extensive marketing of the district.
- **Disaster Management** – provides disaster management services.

The overall functions of the Social and Economic Development Departments are as follows:

PRIORITIZE AND IMPLEMENT LED STRATEGY DEVELOPMENT PROJECTS

- Work in partnership with the Department of Agriculture (DoA) to prioritize and support the existing community gardens that have both poverty alleviation and economic development goals.
- Support food security initiatives that are implemented by both the DoA and Department of Social Development.
- Support schools' nutritional programme to ensure basic nutrition in particular for vulnerable children.
- Involve youth, particularly women in creating a network of volunteers that facilitated care to orphans as well as counselling.
- Implement the business plans of various special programs that have been launched by the municipality.
- Participate in initiatives done by other agencies of development aimed at social development.





CORPORATE SERVICES

This department is headed by the Director: Corporate Services and comprises four sections as explained below.

The following are the functional areas of the units within Corporate Department:

- **HUMAN RESOURCES** – coordination of sound labour relations, Human Resources Management and recruitment strategies, employee wellness, organisational development and occupational Health and Safety.
- **SECRETARIAT** – coordination of secretariat support to Council and its committees.
- **ICT** – ensuring the efficient implementation of information management systems implementation and maintenance of application systems of Enterprise Resource Planning hardware and software maintenance information systems security and general coordination of management of ICT systems.
- **REGISTRY AND AUXILIARY SERVICES** – records management, registry management, facilities management, security management, telecommunications and building maintenance.

THE CORPORATE SERVICES DEPARTMENT PERFORMS THE FOLLOWING FUNCTIONS

- Identification of Human Resources Policy gaps so as to align it with Basic Conditions of Employment act and other Corporate Services policies.
- Training and Development
- Development of organizational structure
- Recruitment and selection
- Contribution to municipal strategy development
- Perform organizational audit
- Play advisory role to other departments on employee related matters
- Develop municipal human resources policies

Financial Viability

OBJECTIVE

The management of the municipal finances involves both a strategic and operational component. Strategically, the finances must be managed to accommodate fluctuations in the economy and the

resulting changes in costs and revenues. Operationally, the municipality must put in place clear financial goals, policies and tools to implement its strategic plan.

The overall strategic plan is to ensure that there is transparency, accountability and sound financial management. Forming part of this plan are key performance areas such as : ensuring that all statutory reporting is compiled and submitted to the different spheres of government timeously, annual financial statements are prepared in accordance with GRAP and submitted on time, effective and efficient utilisation of financial resources, compliance to the Supply Chain Management Policy and the maintenance of assets effectively with respect to additions; disposals; impairments on the assets register.

Formed with a purpose to manage this strategic and operational component of municipal finance, the Financial Services Department is headed by the Chief Financial Officer and comprises the following sections:

- Expenditure and Assets
- Budget, Treasury and Revenue
- Supply Chain Management

FUNCTION OF THE FINANCIAL SERVICES DEPARTMENT

EXPENDITURE AND ASSETS

The Manager: Expenditure and Assets is responsible for salaries administration, creditor's management, VAT compliance, government grants administration, maintenance of assets and investments.

BUDGET, TREASURY AND REVENUE

The Manager: Budget, Treasury and Revenue is responsible for ensuring that budgets are prepared, budgets are effectively utilised, reporting to National treasury and other spheres of government, financial forecasting, property rates, collection of other income.

SUPPLY CHAIN MANAGEMENT

The Manager: Supply Chain Management is responsible for the implementation of the Supply Chain Management policy and ensuring that the goods and services are procured in manner which is transparent, competitive, equitable, cost effective and fair.



ANNUAL PERFORMANCE REPORTS

MUNICIPAL MANAGER'S OFFICE								
Key Result Area/Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Measures to Improve Performance
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement		
IDP/PLANNING								
Institutional Development and Transformation	To ensure establishment of all core municipal policies and system as required by law	IDP preparation for 2010/2011 financial year	Credible adopted IDP that complies to DITGA requirements	IDP 2010/2011 document completed	Credible adopted IDP that complies with the MSA	Target achieved	N/A	N/A
Institutional Development and Transformation	To ensure compliance to MFMA and MSA	PMS Preparation for 2011/2012	Adopted PMS Framework	PMS policy not reviewed	Adopted PMS framework/ policy	Target not achieved: Policy not yet adopted by EXCO	Lack of baseline information, the current policy is too old	Policy should be taken to EXCO in the first term of the new financial year
Institutional Development and Transformation	To ensure improvement of service delivery	PMS Preparation for 2011/2012	Approved SDRP for 2010/2011 financial year	SDRP approved by Council	Approved SDRP for 2011/2012 financial year	Target achieved	N/A	N/A
Institutional Development and Transformation	To ensure a fully functional performance management system and alignment of IDP and SDRP	PMS Preparation for 2011/2012	Four Quarterly Review Reports	Four Quarterly Reviews	Number of quarterly review reports for all the 4 quarters put together	Target achieved	N/A	N/A
Institutional Development and Transformation	Municipality's annual report to be in accordance with MFMA	Annual Report preparation for 2009/2010	Adopted Annual Report preparation for 2009/2010	Adopted Annual Report 2008/2009	Adopted annual report	Target achieved	Photos in the annual report are not well captured	N/A
Institutional Development and Transformation	To ensure establishment of all core municipal policies and system as required by law	Translation of IDP from English to Zulu	Translated IDP	Translation of IDP from English to Zulu not done	Translated IDP	Target Not achieved: IDP not translated into Zulu, engage Department of Arts and Culture for the next reviewed document we are currently awaiting response.	Budgetary constraints	Identification of other stakeholders that may assist in the translation process.



MUNICIPAL MANAGER'S OFFICE								
Key Result Area/Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Measures to Improve Performance
			SUBDP Target	Actual Achievement	SUBDP Target	Actual Achievement		
Institutional Development and Transformation	To ensure establishment of all core municipal policies and systems as required by law	Availability of reviewed SDF for 2010/2011 financial year	Reviewed SDF for 2011 Financial Year	Not reviewed	Reviewed and adopted SDF for 2012 financial year	Target not achieved: SDF not reviewed, there was no budget in this financial year and a budget has been included for the next financial year	Lack of funding	Additional funding for SDF in the next financial year 2011/2012
Institutional Development and Transformation	To ensure establishment of all core municipal policies and systems as required by law	Training workshops	Trained councillors on PMS Policy and SUBDP	Training conducted by shared services Personnel	Trained councillors and officials on IDP	Target achieved	N/A	N/A
Institutional Development and Transformation	To establish an economically viable environment for the community of Umzumbe	St Faiths Township Establishment	N/A	N/A	N/A	Target not achieved: This is an ongoing project	There is no way forward in terms of the land issue with Mr Choncho, we do not have the terms of reference to the project as well as the background information about the project	We are trying to locate documents that might assist us in the project especially with the service provider and what they were suppose to do regarding the project
COMMUNICATIONS MAYORALTY AND YOUTH DEVELOPMENT								
Preparation of an internal communication plan	To ensure functional community participation mechanism	Copy of a communication plan	Internal Communication Plan	Target not met. A draft internal communication plan has been prepared and will be tabled at a council meeting for approval in the next council meeting	Council approved internal Communication Plan	Target achieved	N/A	N/A
Procure and facilitate installation of directional signage	To ensure functional community participation mechanism	Directional signage procured and erected at strategic entry points	8 directional signs placed at entry points	Target was not met due to budget constraints, the project will be budgeted for in the next financial year	5 directional signs installed, and 3 information signs installed	Target achieved	N/A	N/A



MUNICIPAL MANAGER'S OFFICE								
Key Result Area/Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Measures to Improve Performance
			SBWP Target	Actual Achievement	SBWP Target	Actual Achievement		
Plan and Implement Mayor's publicity programme	To ensure functional community participation mechanism	Copies of radio and print adverts	Ensure preparations for monthly Mayoral slots (12 radio slots)	Target was achieved	Ensure planning and implementation of twelve Mayoral Slots on ukhozi fm and 06 slots on Radio Sunny South	Target achieved	N/A	N/A
Manage and Co-ordinate municipal events	To ensure functional community participation mechanism	Schedule of events and events reports	Maximum attendance and better co-ordination of municipal events	Target was achieved	100% community attendance at major events	Target achieved	Intensive schedule of events and the high costs of logistical requirements results in over-expenditure	N/A
Payment of ward committee stipends	To ensure functional community participation mechanism	Reports on the payment of ward committee stipends	Stipends deposited to bank accounts of ward committee chairpersons	Target not met. Delays in the submission of attendance registers noted, and certain councillors still using personal banking details instead of opening new accounts	Arrange capacity building workshops and ensure timeous payment of ward committee stipends for meeting attendance	Target achieved	N/A	N/A
Produce and distribute Inkanyezisi yomZembe Internal newsletter	To ensure functional community participation mechanism	Copies of internal newsletter printed	All quarterly publications (1 issue per quarter)	Target partially met. Budget constraints prevented the completion of the last quarter issue of Inkanyezisi yomZembe	Production and distribution of 20 000 copies of Inkanyezisi yomZembe newsletter	Target was partially achieved. Due to financial constraints 15000 copies have been produced and distributed during this financial year	Limited budget	To review budget for next financial year to accommodate 5000 copies more
Procurement of branding and promotional material	To ensure functional community participation mechanism	Branding Material bearing the new corporate logo procured	4 pull up banners, 2 tear drop banners and 1 conference banner	Target met	Procurement of new Branding material to promote municipal corporate identity	Target achieved	N/A	N/A





MUNICIPAL MANAGER'S OFFICE								
Key Result Area/Project	Objective	Key Performance Indicator	2008/2010		2010/2011		Concerns and Challenges	Measures to Improve Performance
			SUBMP Target	Actual Achievement	SUBMP Target	Actual Achievement		
Establish and improve relations with the media.	To ensure functional community participation mechanism	Media briefings and press releases	Arrange media briefings and send out press releases to invite positive publicity	Target was achieved. Media interviews held with ukhozi, iwe-izimzantsi, radio sunny south radio station, and press releases sent to Isilezwe, Ilanga and local newspapers	Development of a media policy and plan	Target partially achieved. A workshop was held in June to develop a draft media policy for the institution, a draft media policy and plan has been developed and will be presented to top Manco and ultimately to council for approval	This project was only implemented towards the end of the 4th quarter of the financial year due local government elections.	A draft policy and plan has been developed and consultation will take place to invite inputs prior to approval by Council
Quarterly updating of municipal website	To ensure functional community participation mechanism	Updated website	Review and update information on the municipal website once in quarter	Target partially met. Umzambe website was only finalised in the third quarter, and new information was added in the third and fourth quarter	Website updated once per quarter	The target was partially achieved; new information (photos of new councillors, profiles and documents required for compliance purposes) has been submitted to web designer for inclusion on the website	The website is being migrated to a new host company, hence access to the website is minimal	New information and pictures of new councillors have been forwarded to the web designer for inclusion on the website
Sport Development	To promote and encourage full participation of young people in all sporting codes	Sporting Development programmes for all sport codes	03 sport tournaments for all sport codes at Umzambe	Winner games, Mayoral cup & Turton Beach games were implemented	03 sport tournaments for all sport codes at Umzambe	Target achieved	The target was not met. Tatum beach games were not implemented due to budgetary constraints	N/A
Skills Development	To provide a platform for 10 unemployed graduates to gain working experience within the municipality	Enrolment of unemployed graduates	10 unemployed graduates enrolled	10 unemployed graduates were given a 12 months working experience within the municipality	10 unemployed graduates enrolled	Target achieved	N/A	N/A
Skills Development	To assist young people in acquiring drivers licences	Drivers License programme	Nil	Nil	14 young people assisted in acquiring drivers licenses	Target achieved	N/A	N/A



MUNICIPAL MANAGER'S OFFICE								
Key Result Area/Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Measures to Improve Performance
			SLRP Target	Actual Achievement	SLRP Target	Actual Achievement		
Skills Development	To lobby for learnerships that will increase the skills base within Umzumbe	Youth benefiting from learnerships	Learnerships	Learnerships were implemented by the World changers Academy in 03 wards in Umzumbe	Learnerships	Target achieved	Programmes communicated properly to the principals	N/A
Good Government & Community participation	To create a platform where young people get information about career pathing and opportunities in tertiary institutions	Career Motivation and Exhibition	Career exhibition implemented	Career exhibition was implemented at Phungashe Resources centre benefiting 750 grade 12 learners	Career exhibition implemented	Target achieved	N/A	N/A
Good Government & Community participation	To create a platform where young people deliberate on youth development issues and progress of previous youth Summit resolutions to advance youth development agenda	3rd Umzumbe Local Youth Development Summit	2nd Umzumbe Youth Development Summit	Youth Development Summit was held at Uvongo Town Hall on 25-27 February 2010. resolutions report was implemented	3rd Umzumbe Local Youth Development Summit	Target achieved	N/A	N/A
Sport Development	To allow young people to showcase their talents in by participating in KWANALOGA games	Co-ordination of KWANALOGA Games	Preparations and participation for KWANALOGA games	The Games were held at Pietermaritzburg on December 2009. Umzumbe participated with players representing Umzumbe	Preparations and participation for KWANALOGA games	Target achieved	There was a challenge regarding the securing of accommodation	N/A
Good Government & Community participation	To raise awareness through campaigns on issues affecting young people	Campaigns	02 campaigns implemented	Drug & Substance abuse campaign and the HIV/AIDS condom distribution at taverns was implemented	03 campaigns implemented	Target achieved	N/A	N/A



MUNICIPAL MANAGER'S OFFICE								
Key Result Area/Project	Objective	Key Performance Indicator	2008/2010		2010/2011		Concerns and Challenges	Measures to Improve Performance
			SOBID Target	Actual Achievement	SOBID Target	Actual Achievement		
Local Economic Development	To create a platform where young people in business share challenges and strategies in the business world, being capacitated by experts in the business world..	Youth in Business Indaba	N/A	N/A	1st Umzumbie Youth In Business Indaba implemented	Target achieved	N/A	N/A
Good Government & Community participation	To ensure commemoration of Soweto uprising in 16 June 1976	June 16, Youth Day Commemoration	2nd Umzumbie Youth Day implementation	The youth Day was commemorated at Mabuthela Sport ground where 1500 youth attended.	3rd Umzumbie Youth Day Implementation	Target achieved	N/A	N/A
Good Government & Community participation	To ensure smooth functioning of the youth advisory centre point	Functioning of Youth Advisory Centre Point	100% functioning of Youth Advisory Centre point	Youth Advisory Centre point was officially launched in 06 May 2010, Youth is accessing information as required to date	100% functioning of Youth Advisory Centre Point	Target achieved	N/A	N/A
Local Economic Development	To improve business skills to youth and encourage youth owned business by capacity building on cooperatives	Establishment of Youth cooperatives	Appointment of service provider	The service provider was appointed who will assist the 19 youth cooperatives	Registration and legal compliance for 19 youth cooperatives	Target achieved	The other 08 youth cooperatives are still awaited for their certificates.	N/A
Skills Development	To ensure provision of registration fees for grade 12 learners who have been accepted to a tertiary institutions	Registration fees for grade 12 learners	External bursaries (Registration fees)	48 Students who are accepted in tertiary institutions were assisted with registration fees	External bursaries (Registration fees)	Target achieved	53 learners were not paid for. The budget for the same was exhausted.	N/A



FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SOBIP Target 2009/10	Actual Performance 2009/10	SOBIP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Preparation of Annual Budget	Approved 2010/2011 Annual Budget	Target achieved	Approved 2011/2012 Annual Budget	Council adopted a budget process plan	Budget inputs collected from various departments	Council adopt the draft 2011/2012 budget for public comments and advertise budget thereafter	Council adopt final 2011/2012 annual budget	Target achieved
Financial Management	Preparation of a financial mid-term review or adjustment budget	Approved 2009/2010 adjustment budget	Target achieved	Approved 2010/2011 adjustment budget			Adopted 2010/2011 adjustment budget		Target achieved
Financial Management	Monthly Budget Statements in terms of section 71 of the MFMA produced timely i.e. by no later than the 10th of each month	12 Monthly Financial Reports submitted to the Accounting Officer and Provincial Treasury before the 10th of each month	Target achieved	12 Monthly Financial Reports submitted to the Accounting Officer and Provincial Treasury before the 10th of each month	Quarterly Financial report 1	Quarterly Financial report 2	Quarterly Financial report 3	Quarterly Financial report 4	Target achieved. The monthly financial reports are submitted every month to EXCO, FBCC and Treasury. There are no challenges anticipated in meeting this target for the rest of the year.
Financial Management	Preparation of annual financial statements in GRAP compliance	Audited Annual Financial Statements for 2009/2010 with a better audit opinion in Auditor-General's Report	Target achieved	Audited Annual Financial Statements for 2009/2010 with a better audit opinion in Auditor-General's Report	2009/2010 Annual Financial Statements reviewed by Audit Committee, and Submitted to Auditor-General for auditing	Timorous response to the Auditor-General's queries at informal queries and management letter level	Tabling of Auditor-General's report for 2009/2010 financial year to the Council	N/A	Target achieved. The financial statements were prepared and submitted to AG on 31 August 2010. All responses to audit queries were addressed. Received an unqualified audit at the AG handover function on the 2 December 2010. The AG report was tabled to council in January 2011



FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SDRP Target 2009/10	Actual Performance 2009/10	SDRP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Tabling of Audit Report by Auditor-General and compilation of corrective measures to address issues raised by Auditor-General.	Issues raised by Auditor-General in his Audit Report are dealt with by the Council.	Target achieved.	Issues raised by Auditor-General in his Audit Report are dealt with by the Council.	N/A	N/A	Tabling Audit Report before Council and corrective measures tabled to address the audit issues raised.	N/A	Target achieved. The corrective measures was tabled to council in January 2011
Financial Management	Supply the financial related items to the Accounting Officer for inclusion in the Annual Report.	Financial related items are included in the Annual Report	Target achieved.	Financial related items are included in the Annual Report	N/A	N/A	Submit financial related items to the Accounting Officer for inclusion in 2009/2010 Annual Report	N/A	Target achieved. All financially related items were submitted to accounting officer for inclusion of the 2009/10 annual report
Financial Management	Capacitate staff members on budget as well as identifying funding sources when requesting goods or services	Each department manage its own budget	Target achieved	Each department manage its own budget	Table 2010/2011 budget before staff members	N/A	N/A	N/A	Target achieved
Financial Management	Report all Closing bank balances to Auditor-General, Provincial Treasury within 30 days after financial year in terms of the MFMA	Compliance with MFMA	Target not achieved	Compliance with MFMA	Notify Auditor-General, Provincial Treasury in terms of MFMA	N/A	N/A	N/A	Target achieved
Financial Management	Recording of receipts and payments in the cash book	The actual receipts and payments are recorded in the cash book	Target achieved	The actual receipts and payments are recorded in the cash book	Three monthly cash books for for the 1st quarter	Three monthly cash books for for the 2nd quarter	Three monthly cash books for for the 3rd quarter	Three monthly cash books for for the 4th quarter	Target achieved
Financial Management	Updating General Ledger on a monthly basis	Updated General Ledger	Target achieved	Updated General Ledger	Updated General Ledger for the 1st quarter	Updated General Ledger for the 2nd quarter	Updated General Ledger for the 3rd quarter	Updated General Ledger for the 4th quarter	Target achieved



FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SOBIP Target 2009/10	Actual Performance 2009/10	SOBIP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Prepare the bank and creditors reconciliation	The bank and creditors are reconciled on a monthly basis	Target achieved	The bank and creditors are reconciled on a monthly basis	Monthly bank and creditors reconciliation for the 1st quarter	Monthly bank and creditors reconciliation for the 2nd quarter	Monthly bank and creditors reconciliation for the 3rd quarter	Monthly bank and creditors reconciliation for the 4th quarter	Target achieved
Financial Management	Paying internal and external audit fees within a reasonable time upon the receipt of the invoice coupled by schedule of hours and project done	The internal and external auditors are paid within 30 days after the receipt of the invoice	Target achieved	The internal and external auditors are paid within 30 days after the receipt of the invoice	Quarterly Report of payments to auditors if invoiced	Quarterly Report of payments to auditors if invoiced	Quarterly Report of payments to auditors if invoiced	Quarterly Report of payments to auditors if invoiced	Target achieved. This is the on going project. All audit fees are paid within 30 days upon the receipt of the invoice
Financial Management	Paying service providers within 30 days upon the receipt of the invoice	General expenses are paid within 30 days after the receipt of an invoice	Partially achieved	General expenses are paid within 30 days after the receipt of an invoice.	Service providers paid within 30 days upon the receipt of the invoice	Service providers paid within 30 days upon the receipt of the invoice	Service providers paid within 30 days upon the receipt of the invoice	Service providers paid within 30 days upon the receipt of the invoice	Partially achieved. This has been steadily improving as controls are in place such as date stamping and designated office for receiving invoices. However payments are sometimes delayed where discrepancies are noted such as invalid tax invoices being submitted by suppliers
Financial Management	The payments to construction service providers are made when there is a payment certificate	The contractors are paid for work done	Target achieved	The contractors are paid for work done	The payments to construction service providers are made when there is a payment certificate	The payments to construction service providers are made when there is a payment certificate	The payments to construction service providers are made when there is a payment certificate	The payments to construction service providers are made when there is a payment certificate	Target achieved. All payments to contractors are made upon receipt of signed payment certificate



FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SDMP Target 2009/10	Actual Performance 2009/10	SDMP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Compile VAT 201 Returns	Compliance with SARS directive on VAT issues.	Target achieved	Compliance with SARS directive on VAT issues	Completed three VAT returns for June, July, August	Complete three VAT returns for September, October, November	Complete three VAT returns for December, January, February	Complete three VAT returns for March, April, May	Target achieved. VAT returns are submitted monthly to SARS
Financial Management	Departmental Budget Control	Proper Management of Departmental Budget	Target achieved.	Proper Management of Departmental Budget	Pastel Evolution being utilised by every department	Pastel Evolution being utilised by every department	Pastel Evolution being utilised by every department	Pastel Evolution being utilised by every department	Target achieved.
Financial Management	Introduction of EFT	EFT introduced	This target is partially achieved.	EFT introduced	EFT introduced	EFT introduced	Payments are done through EFT for quarter 1	Payments are done through EFT for quarter 4	This target is partially achieved. We have implemented a partial system of EFT in place which serves as an electronic payments system and works in a similar way to the EFT
Financial Management	Authorising the payroll prior to salary payments. Salaries paid on the 20th of each month and salary advices are available as from the 18th of each month.	The payroll is authorised prior to the salaries payments being made. The salaries are paid on the 20th of each month. The salary advices are available as from the 18th of each month.	Target achieved.	The payroll is authorised prior to the salaries payments being made. The salaries are paid on the 20th of each month. The salary advices are available as from the 18th of each month.	Monthly authorised payroll by the CFO prior to the payment. Signed pay-slips register acknowledging the receipt of payslip. The salary cheque is authorised and sent to the bank before 12h00 pm on the 19th of each month	Monthly authorised payroll by the CFO prior to the payment. Signed pay-slips register acknowledging the receipt of payslip. The salary cheque is authorised and sent to the bank before 12h00 pm on the 19th of each month	Monthly authorised payroll by the CFO prior to the payment. Signed pay-slips register acknowledging the receipt of payslip. The salary cheque is authorised and sent to the bank before 12h00 pm on the 19th of each month	Monthly authorised payroll by the CFO prior to the payment. Signed pay-slips register acknowledging the receipt of payslip. The salary cheque is authorised and sent to the bank before 12h00 pm on the 19th of each month	Target achieved.
Financial Management	Paying 3rd parties before the 7th of each month	Payments to 3rd parties are made not later than 7th of each month.	This target is achieved	Payments to 3rd parties are made not later than 7th of each month.	Monthly payments to 3rd parties made before the 7th of each month for quarter 1	Monthly payments to 3rd parties made before the 7th of each month for quarter 2	Monthly payments to 3rd parties made before the 7th of each month for quarter 3	Monthly payments to 3rd parties made before the 7th of each month for quarter 4	This target is achieved.



FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SOBIP Target 2009/10	Actual Performance 2009/10	SOBIP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Financial information to Payday software is reconciled to financial information in the Accounting System	Financial information to Pay Day software is reconciled to Accounting System (i.e. Pastel)	This target is achieved.	Financial information to Pay Day software is reconciled to Accounting System (i.e. Pastel)	Processing monthly journal entries from Pay Day to Pastel in the General Journal and then after a monthly reconciliation for quarter 1	Processing monthly journal entries from Pay Day to Pastel in the General Journal and then after a monthly reconciliation for quarter 2	Processing monthly journal entries from Pay Day to Pastel in the General Journal and then after a monthly reconciliation for quarter 3	Processing monthly journal entries from Pay Day to Pastel in the General Journal and then after a monthly reconciliation for quarter 4	This target is achieved.
Financial Management	Issue IRPS's to employees within reasonable time	IRPS's are issued to employees and councillors within a reasonable time	This target is achieved.	IRPS's are issued to employees and councillors within a reasonable time.	Issue IRPS's to employees and councillors and let them to sign to acknowledge the receipt	N/A	N/A	N/A	Target achieved
Financial Management	The personnel costs for finance staff is properly accounted for	The salaries budget for finance department is properly managed	This target is achieved.	The salaries budget for finance department is properly managed	Finance dept's personnel expenditure report for quarter 1	Finance dept's personnel expenditure report for quarter 2	Finance dept's personnel expenditure report for quarter 3	Finance dept's personnel expenditure report for quarter 4	This target is achieved.
Financial Management	Authorize the financial inputs to Pay Day prior to the capturing	The financial input captured in Pay Day System are authorised	This target is achieved.	The financial input captured in Pay Day System are authorised	Monthly authorised batch report for financial input captured in Pay Day System for quarter 1	Monthly authorised batch report for financial input captured in Pay Day System for quarter 2	Monthly authorised batch report for financial input captured in Pay Day System for quarter 3	Monthly authorised batch report for financial input captured in Pay Day System for quarter 4	This target is achieved.
Financial Management	Compilation of Asset Register in GRAP compliant and asset counting	The asset register is compiled and the annual asset count performed	This target is achieved.	The asset register is compiled and the annual asset count performed	The manual asset register for 2009/10 is completed and the physical verification performed	N/A	N/A	The computerised asset register for 2010/11 is updated, fully compliant with GRAP 17 and the physical verification of the assets for 2010/11 performed	This project is currently in progress
Financial Management	Additions, disposals, written offs, depreciation etc are updated in the Asset Register	Updated fixed asset register is kept	This target is achieved.	Updated fixed asset register is kept	Update fixed asset register for monthly additions, disposals, written offs, depreciation etc	Update fixed asset register for monthly additions, disposals, written offs, depreciation etc	Update fixed asset register for monthly additions, disposals, written offs, depreciation etc	Update fixed asset register for monthly additions, disposals, written offs, depreciation etc	This project is currently in progress.





FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SDGIP Target 2009/10	Actual Performance 2009/10	SDGIP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Reconciliation of Fixed Asset Register and the General Ledger	Reconciled asset register to the general ledger	This target is achieved.	Reconciled asset register to the general ledger	Monthly Reconciliation of Asset Register and the General Ledger	Monthly Reconciliation of Asset Register and the General Ledger	Monthly Reconciliation of Asset Register and the General Ledger	Monthly Reconciliation of Asset Register and the General Ledger	This project is currently in progress
Financial Management	Maintenance of computer equipment	Computer & computer equipment is maintained for continued service.	This target is achieved.	Computer & computer equipment is maintained for continued service.	Computer & computer equipment is maintained for continued service.	Computer & computer equipment is maintained for continued service.	Computer & computer equipment is maintained for continued service.	Computer & computer equipment is maintained for continued service.	This target has been achieved
Financial Management	Acquire office furniture for finance officials	Finance officials have sufficient furniture to perform their duties	This target achieved.	Finance officials have sufficient furniture to perform their duties	Purchase office furniture for finance officials (ongoing)	Purchase office furniture for finance officials (ongoing)	Purchase office furniture for finance officials (ongoing)	Purchase office furniture for finance officials (ongoing)	This target has been achieved
Financial Management	Update Investment Register	Updated Investment Register	This target is achieved.	Updated Investment Register	Accrue interest on investments on a monthly basis and update investment register for that interest, new investments and with-drawals from investments	Accrue interest on investments on a monthly basis and update investment register for that interest, new investments and with-drawals from investments	Accrue interest on investments on a monthly basis and update investment register for that interest, new investments and with-drawals from investments	Accrue interest on investments on a monthly basis and update investment register for that interest, new investments and with-drawals from investments	This target is achieved. The investment register is updated and schedule presented to EXCO and FBCC every month.
Financial Management	Invest surplus monied if any	Surplus monies are invested to earn interest	Target achieved.	Surplus monies are invested to earn interest	Advise the Accounting Officer if any monies need to be invested for a particular quarter	Advise the Accounting Officer if any monies need to be invested for a particular quarter	Advise the Accounting Officer if any monies need to be invested for a particular quarter	Advise the Accounting Officer if any monies need to be invested for a particular quarter	Target achieved.



FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SOBIP Target 2009/10	Actual Performance 2009/10	SOBIP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Advise the Accounting Officer if any goods or services requested is likely to result in an unauthorised, irregular, fruitless and wasteful expenditure	The unauthorised, irregular, fruitless and wasteful expenditure is prevented	This target is achieved.	The unauthorised, irregular, fruitless and wasteful expenditure is prevented	Review the requisition form submitted and authorise the orders. Should be any indication of unauthorised, irregular, fruitless and wasteful expenditure, advise the accounting officer about it.	Review the requisition form submitted and authorise the orders. Should be any indication of unauthorised, irregular, fruitless and wasteful expenditure, advise the accounting officer about it.	Review the requisition form submitted and authorise the orders. Should be any indication of unauthorised, irregular, fruitless and wasteful expenditure, advise the accounting officer about it.	Review the requisition form submitted and authorise the orders. Should be any indication of unauthorised, irregular, fruitless and wasteful expenditure, advise the accounting officer about it.	This target is achieved.
Financial Management	The requisition forms are acted upon very quickly to place orders	The orders are authorised and placed immediately after the authorised requisition form	This target is achieved.	The orders are authorised and placed immediately after the authorised requisition form	Long outstanding orders are followed up with the aid of order register	Long outstanding orders are followed up with the aid of order register	Long outstanding orders are followed up with the aid of order register	Long outstanding orders are followed up with the aid of order register	This target is achieved.
Financial Management	Orders are placed after an authorised requisition form	Orders are authorised after an approved requisition form	This target is achieved.	Orders are authorised after an approved requisition form	Orders placed after an approved requisition form	Orders placed after an approved requisition form	Orders placed after an approved requisition form	Orders placed after an approved requisition form	This target is achieved.
Financial Management	At least three quotations are requested immediately from suppliers in our database after an approved requisition form has been received	At least three quotations are obtained prior to placing an order	This target is achieved.	At least three quotations are obtained prior to placing an order	At least three quotations are obtained prior to placing an order	At least three quotations are obtained prior to placing an order	At least three quotations are obtained prior to placing an order	At least three quotations are obtained prior to placing an order	This target is achieved. In a situation whereby less than three quotations are obtained a reason is stated in the quotation summary.
Financial Management	Bids documents are adjudicated within reasonable time after it has been evaluated.	The appointment of service providers is not delayed	Target achieved.	The appointment of service providers is not delayed	Bid adjudication committee to meet within 5 days after evaluation	Bid adjudication committee to meet within 5 days after evaluation	Bid adjudication committee to meet within 5 days after evaluation	Bid adjudication committee to meet within 5 days after evaluation	Target achieved.





FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SDGIP Target 2009/10	Actual Performance 2009/10	SDGIP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Rotation of suppliers	The suppliers in our database are rotated	This target is achieved.	The suppliers in our database are rotated	Monitoring supplier rotation through payment frequency	Monitoring supplier rotation through payment frequency	Monitoring supplier rotation through payment frequency	Monitoring supplier rotation through payment frequency	Target achieved. Supplier rotation is monitored through frequency of payments and the frequency of use of the supplier for events. However there are cost challenges.
Financial Management	Report to provincial treasury all bids of at least R100,000 awarded to service providers	The Supply Chain Management Regulations are complied with	This target is achieved.	The Supply Chain Management Regulations are complied with	Report to provincial treasury each bid of at least R100,000 awarded to service providers if any.	Report to provincial treasury each bid of at least R100,000 awarded to service providers if any.	Report to provincial treasury each bid of at least R100,000 awarded to service providers if any.	Report to provincial treasury each bid of at least R100,000 awarded to service providers if any.	Target achieved. The bids of above R100,000 are submitted to treasury.
Financial Management	The Preferential Procurement Policy Framework Act, of 2000 is taken into account to all our bids	Our bids consider the HIDs, women, disability, SMMEs, local suppliers etc.	This target is achieved.	Our bids consider the HIDs, women, disability, SMMEs, local suppliers etc.	Review all bid documents prior to briefings to ensure that all relevant MBD forms are included in a bid document to allow bidders to earn points in terms of PPPFA	Review all bid documents prior to briefings to ensure that all relevant MBD forms are included in a bid document to allow bidders to earn points in terms of PPPFA	Review all bid documents prior to briefings to ensure that all relevant MBD forms are included in a bid document to allow bidders to earn points in terms of PPPFA	Review all bid documents prior to briefings to ensure that all relevant MBD forms are included in a bid document to allow bidders to earn points in terms of PPPFA	This target is achieved because all bids are adjudicated and evaluated in terms of PPPFA.
Financial Management	Service providers taxation status is in order	The service providers that we are dealing with are registered and are paying tax.	This target is achieved.	The service providers that we are dealing with are registered and are paying tax.	Review invoices for Vat registration (if applicable); Obtaining tax clearance certificates.	Review invoices for Vat registration (if applicable); Obtaining tax clearance certificates.	Review invoices for Vat registration (if applicable); Obtaining tax clearance certificates.	Review invoices for Vat registration (if applicable); Obtaining tax clearance certificates.	Target achieved.
Financial Management	Running the monthly rates billing on Pastel system and maintenance of valuation roll	Valuation roll maintained and bills generated	Target partially achieved.	Valuation roll maintained and bills generated	Updating pastel billing system and follow up on outstanding government and business debt	Send out annual rates bills for government and business	Follow up on outstanding debt	Follow up on outstanding debt	Target partially achieved. We are engaging with government and stakeholders such as National Treasury





FINANCIAL SERVICES DEPARTMENT									
Key Result Area	Key Performance Indicator	SOBIP Target 2009/10	Actual Performance 2009/10	SOBIP Target 2010/11	Quarterly Target 2010/2011				Actual Performance 2010/11
					Sep	Dec	Mar	Jun	
Financial Management	Acquisition of computer and office equipment for finance officials	All finance officials have sufficient working tools	This target is achieved.	All finance officials have sufficient working tools	Purchase computer and office equipment for finance officials	N/A	N/A	N/A	Target achieved.
Financial Management	Project capacity building/ training for SOBIP to lower staff	Municipality officials capacitated on PMS and SOBIP	This target is achieved.	Municipality officials capacitated on PMS and SOBIP	All HOD's capacitated their junior officials on SOBIP	N/A	N/A	N/A	Target achieved.
Financial Management	Timeous response to Auditor General and Internal Audit Comments	Unqualified Audit Report obtained by Municipality in January 2011	This target is achieved.	Unqualified Audit Report obtained by Municipality in January 2011	N/A	All HOD's responded to AG comments by second quarter	N/A	N/A	Target achieved.
Financial Management	Agenda items submitted on time, seven days before Portfolio Committees, EXCO, Council	All Agenda items submitted by HOD's seven days before Portfolio Committees, Exco and Council	This target is achieved.	All Agenda items submitted by HOD's seven days before Portfolio Committees, Exco and Council	Report to be provided quarterly showing improvement	Report to be provided quarterly showing improvement	Report to be provided quarterly showing improvement	Report to be provided quarterly showing improvement	Target achieved

TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SOBIP Target	Actual Achievement	SOBIP Target	Actual Achievement		
Infrastructure development and service delivery	To ensure that community have access to safe clean water	Delivery of portable water	3360 deliveries to water storage tanks	3920 deliveries done	Delivery of portable water to 70 water tanks (3360 deliveries per year)	The target was not achieved	1803 deliveries were done. The delays were caused by the lack of funding.	An annual contract to be introduced in the next financial year with an amount of R3.6 million. Appointment to be done only to contractors who owns water tankers.



TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SDRP target	Actual Achievement	SDRP target	Actual Achievement		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Upgrading of community facilities	Upgrading of 8 community facilities	8 community facilities renovated	Upgrading and renovation of 29 community facilities	The target was not met. Six community facilities were renovated		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Upgrading of Shibase Sports field			Soccerfield grassed with poles and fenced.	The target was not achieved	There was a delay in the appointment of the contractor due to non sitting of an adjudication committee. The project is 90% to completion.	The contractor has been instructed to double the resources.
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Renovation of community facilities			Renovations of 30 community facilities	The target was not achieved	The project was re advertised as all renderers did not meet required specified standards. A lack of funding. Only six community facilities were renovated	The contractor has been instructed to double the resources.
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of access roads	Construction of 49 km x 5m gravel roads	53 km x 5m constructed	Construction of 53 km X 5m of gravel roads	The target was met		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction Mlanula Access Road			2.1 km x 5m gravel road	The target was achieved		



TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Mgamule Access Road			1.6 km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Esivandeni Access Road			4.2 km x 5m gravel road	The target was not achieved	Delays were caused by the poor performance by the contractor	A subcontracting system has been introduced in terms of a session.
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Ntengela Access Road			3.5 km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Manoka Access road			4.2 km x 5 m gravel road and 0.3 km x 3m wide concrete pavement	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Nkobeni Creche			Construction of Nkobeni creche	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Mbonani Access road			2.1 km x 5m gravel road	The target was achieved		



TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Nkamini Access road			0.75km x 3m wide gravel road with 0.15 km x 3m concrete slab	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Ukhathi Access road			4.5 km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Ngcengezi Access road			2.93 km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Rhek'umesiya access road			4.5 km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Mathwaga access road			1.8 km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Khuzimpi access road			0.9 km x 5m gravel road	The target was achieved		



TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Nkonke access road			3.7 km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of St. Williams access road			4.3km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Khoza access road			2.5km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Gospel access road			Approval of the BAR report	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Tse access road			2.1 km x 5m wide gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Stormwater upgrade phase 2			Stormwater upgrade	The target was achieved		



TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Mkwazi access road			3.5 km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Msimini Access Road			6km x 5m gravel road	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of access bridges	Construction of 2 No. x 10 km x 5 m access bridge	2 No. x 10 km x 5 m access bridge constructed	1 No. x 60km x 5m access bridge	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Construction of Itala Access Bridge			60 m x 5m wide concrete access bridge	The target was achieved		
Infrastructure development and service delivery	To ensure the provision of high quality infrastructure services that will enhance the better standard of living for the people	Hiring of plant (graders)			Roads maintained in three clusters A, B, C and D	The target was not achieved	Roads were maintained in 3 clusters. The appointed contractor in cluster D failed to deliver grader on time and the contract was terminated	An annual contract to be introduced in the next financial year with an amount of R 4.2 million. Appointment to be done only to contractors who owns graders.
Infrastructure development and service delivery	To ensure provision of adequate shelter for the people of Umzumbi	Construction of RDP houses	Construction of 550 houses	750 houses constructed	Construction of 650 houses	The target was not achieved		



TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement		
Infrastructure development and service delivery	To ensure provision of adequate shelter for the people of Umzumbe	Cluster A Housing Project			100 houses	The target was not achieved	Delays in the registration of beneficiaries as there were no proper documentation submitted to support applications.	To have a roster of monthly meetings (housing forum meetings)
Infrastructure development and service delivery	To ensure provision of adequate shelter for the people of Umzumbe	Cluster B Housing Project			450 houses	The target was not achieved	Delays in the approval of tranche 2 and compilation of tripartite agreement by Department of Human Settlement	To have a roster of monthly meetings (housing forum meetings)
Infrastructure development and service delivery	To ensure provision of adequate shelter for the people of Umzumbe	Cluster C Housing Project			100 houses	The target was not achieved	The contract was terminated due to poor performance by the Implementing Agent.	The project has been re-advertised
Infrastructure development and service delivery	To ensure provision of adequate shelter for the people of Umzumbe	Cluster D Housing Project			Approval of tranche 2 by the MEC	The target was not achieved	Delays in the preparation of a project description by the Implementing Agent due to Land issues.	Design a clear contract which will have time frames.
Infrastructure development and service delivery	To ensure provision of adequate shelter for the people of Umzumbe	Nhlangwini Housing Project			Approval of tranche 2 by the MEC	The target was not achieved	Delays in the approval of tranche 1 by Department of Human Settlement	To have a roster of monthly meetings (housing forum meetings)
Institutional development and transformation	To ensure provision of capacity building to the Technical services staff	Conferences and Summits			Attending conferences and summits as and when required	Attending conferences and summits as and when required		



TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement		
Institutional development and transformation	To ensure the availability of resources to carry out duties and implementation of Technical services department mandate.	Maintenance agreements, community projects, plant & computer equipment			Maintenance of community projects, plant and computer equipment as and when required	Maintenance of community projects, plant and computer equipment as and when required.		
Institutional development and transformation	To ensure the availability of resources to carry out duties and implementation of Technical services department mandate.	Vehicle running costs including tractors TLB & grader			Purchasing of diesel for TLB and grader	Purchasing of diesel for TLB and grader		
Institutional development and transformation	To ensure the availability of resources to carry out duties and implementation of Technical services department mandate.	Printing and stationery			Purchasing of stationery as and when required	Purchasing of stationery as and when required		
Institutional development and transformation	To ensure provision of capacity building to the Technical services staff	Staff training, workshops, bursaries and accommodation			Purchasing of stationery as and when required	Purchasing of stationery as and when required		
Good governance and community participation	To ensure the compliance of OHS Act	Uniforms & protective clothing			Purchasing of stationery as and when required	Purchasing of stationery as and when required		
Good governance and community participation	To ensure transparency	Advertising/ Public relations			Purchasing of stationery as and when required	Purchasing of stationery as and when required		
Good governance	To ensure that the Municipality operates in line with the legislative requirements	Project capacity building/ training for SDRP to lower staff			Municipality officials capacitated on PMS and SDRP	Staff has been capacitated during departmental meetings on PMS and SDRP		



TECHNICAL SERVICES DEPARTMENT								
Key Result Area	Objective	Key Performance Indicator	2009/2010		2010/2011		Concerns and Challenges	Corrective Measures
			SDBIP Target	Actual Achievement	SDBIP Target	Actual Achievement		
Good governance	To ensure that the Municipality avoids negative AG opinion	Timorous response to Auditor General and Internal Audit Comments			Unqualified Audit Report obtained by Municipality in January 2011	A filing system has been implemented in line with the AG comments in the last financial year		
Good governance	To ensure that the Municipality avoids fruitless and irregular expenditure	Avoidance of irregular and fruitless expenditure			All HOD's avoided irregular expenditure by end of the year	Regular monitoring and reviews were performed. In addition internal controls were implemented.		
Good governance	To ensure that the Municipality operates in line with the legislative requirements	Agenda items submitted on time, seven days before Portfolio Committees, EXCO, Council			All Agenda items submitted by HOD's seven days before Portfolio Committees, Exco and Council	Items to all Portfolio Committees were submitted seven days before scheduled meetings		

SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT								
Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SDBIP Target	Actual Achievements	SDBIP Target	Actual Achievements		
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Number of on disability awareness and Trainings implemented.	N/A	N/A	Training of disability members	Achieved, Training was conducted on life skills development was done at Hibberdene Civic Center	The target was achieved.	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Business Skills awareness	N/A	N/A	Training of Disability members	Achieved, Training was conducted on Business skills development was done at Hibberdene Civic Center	The target was achieved.	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Hosting of Disability Indaba	Trained Members of Disability executive Committee	Target Achieved, Disability Indaba was hosted in St Michaels from 10th - 11th September 2009	N/A	N/A	The target was achieved.	N/A





SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT								
Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SDGIP Target	Actual Achievements	SDGIP Target	Actual Achievements		
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Disability Stakeholder's management	N/A	N/A	Disability stakeholder's meeting hosted on quarterly basis	Achieved, Disability quarterly meeting hosted in all 4 quarters	The target was achieved.	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Career day for people living with Disability	N/A	N/A	Career enlightenment for people living with Disability hosted	Achieved, Career day was hosted in conjunction with Dept of Labour	The target was achieved.	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Sports Day for Disabled people	N/A	N/A			The target was not achieved.	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Disability Day	N/A	N/A	Disability day hosted	Achieved, disability day hosted at ward 17 Community hall in December 2010	The target was achieved.	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Assist project of Disabled people with capacity and resources	N/A	N/A	Provision of progress report by the end of 3rd quarter.	Not achieved, Information was disseminated to relevant stakeholders and there was no response	The target was not met.	Gaps identified (projects not registered and also not benefiting people living with disability but operating under apuricular individuals)
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Training of Disability Executive Members and Focal Rep from Govt Dept on Leadership	N/A	N/A	Train-disability executive members	Training was done per Cluster.	The target was partially achieved.	Training was done with only 2 representatives per ward
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Establishment ward Disability Forums	Establish	N/A	Establish ward disability forums	Forums were established in all 19 wards	Target met	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Host Worlds Aids day	N/A	N/A	Host World Aids day	World Aids day was hosted together with the Sixteen days of Activism at Mgal in Ward 17	Target was achieved	N/A





SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT

Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SOBIP Target	Actual Achievements	SOBIP Target	Actual Achievements		
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Purchase of HIV and Aids Kits	N/A	N/A	First purchase of HIV and Aids Kits	HIV and Aids kits have been purchased and handed over to CHs for further distributions	Target met	The project had 2 phases. The second phase could not be attained due to budget constraints
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Training of people living with Orphan on Home Based care	N/A	N/A	N/A	N/A	N/A	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Establishment of Cluster HIV and Aids support Groups	N/A	N/A	N/A	N/A	N/A	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Condom distribution	N/A	N/A	N/A	N/A	The target was not achieved	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Women's day Celebration hosted			Host Celebration of Women's day	Achieved, Celebration was hosted in ward 1 Dweshula. 60 needy women identified by Premier's Flagship program were provided with mattress, blankets, and food parcels, 2 houses were handed over to 2 needy families in ward 1. The event was done in partnership with sector departments	Target was achieved	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Sixteen Days of Activism hosted			Host 16 days of Activism	Achieved, the commemoration was hosted with World Aids day in ward 9	Target was achieved	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Gender forum Executive members trained on Leadership			Train ward executive Gender forum members on Leadership	Training was done at Hibberdene Civic center, 2 representatives per ward attended	Target was achieved	N/A



SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT								
Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SDGIP Target	Actual Achievements	SDGIP Target	Actual Achievements		
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Host Fun Run and Sports day for Senior Citizens			Host Fun run and Sports day for Senior citizens	Achieved, The provincial golden games were held in partnership with the District special programmes unit. 80 Participants from Umzumbe participated	Target was achieved	
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Christmas Celebration for senior citizens hostel			Christmas for senior citizens hosted	Achieved, all 19 wards celebrated christmas for senior citizens	Target met	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Number of luncheon clubs for Senior Citizens established and supported			4 Luncheon clubs launched and supported	Achieved, ward 2, 08, 12 Luncheon clubs were launched. Awareness Campaigns on Elderly abuse were also done in ward 2 and ward 15 as form of support towards the senior citizens ward structures.	Target met	Budget constraints are the primary factors in halting the progress of the program.
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Number of learners identified and assisted with school uniforms	2850 learners supported with school uniforms	Achieved, learners from indigent families were given full uniform	Dress a child roll out of uniforms to beneficiaries	Achieved, 2850 vulnerable learners received school uniform	Target was Achieved.	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Life skills training for Orphans					Target was not achieved	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	OVC Tour organised			OVC Tours to be done in the 2nd quarter	Achieved, Orphans and Vulnerable Tours was done in December 2010. The event was held at Hibberdene whereby all OVC within Umzumbe were invited.	Target was achieved	Budget for the project is minimal for the proper implementation
		Development of database for farms in the Municipality			Database for farm workers to be developed	Achieved, Database for farms within the Municipality have been developed	Target met	N/A



SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT

Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SOBIP Target	Actual Achievements	SOBIP Target	Actual Achievements		
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Purchasing of cleaning material for 38 women (General workers for Community Facilities)			Cleaning material for 38 women to be purchased	Cleaning material for 38 women were purchased and distribution to all 19 wards	Target met	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Payment of 38 women	Employment of 38 women	38 women employed to clean facilities	Provision of progress report on monthly basis.	Achieved, Payment procured and R400.00 stipend paid every month to 38 women to clean Community facilities	Target met	Budget limitations halted the progress of the program.
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Extended public works Programme			Provision of progress report on monthly basis.	Achieved, Coordination and the provision of space for storeroom containers	Target met.	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Number of vulnerable families assisted and linked with other relevant departments	Food parcels for vulnerable families	Indigent families assisted with food parcels and linked with other sector departments	Provision of progress report on monthly basis on the type of assistance provided	Achieved, 60 indigent families assisted with food relief and linked with other sector Dept for accessing social grants	Target met	Budget limitations halted the progress of the program.
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Cel provision to indigent people			Provision of progress report on monthly basis.	Not achieved.	Target not met	The project is compounded by budget constraints which eventually could not be implemented
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Number of free basic electricity tokens provided to indigent families	Provision of free basic electricity	Achieved, indigent households are collecting free tokens	Provision of free basic electricity	Target achieved 4000 electricity tokens have been provided to indigent families	Target met	The project is compounded by budget constraints which eventually could not be implemented
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Facilitate the maintenance of Solar panels	Provision of progress on monthly report	Partially met	Provision of progress report on monthly basis.	Partially achieved,	Target was partially achieved, due to budget constraints	The project is compounded by budget constraints which eventually could not be implemented





SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT								
Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SOBIP Target	Actual Achievements	SOBIP Target	Actual Achievements		
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Participate in the Premier's Flagship Programme	N/A	N/A	Participate in the Premier's Flagship Programme	target achieved, Unsumbe participate in the Premier Flagship programmes	Target was achieved	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Training of NGOs, NPOs, and CBOs.	Host 1 day workshop for NGO	Achieved, 1 day workshop/ capacity building for NGO conducted	Training of NGO members	Target Achieved, Training was conducted at Carousel holiday resort. The training was on Basic Public relations, Financial Management, roles and responsibilities of Office Bearers, Fundraising, Project management, as well as Leadership Skills	Target was achieved	N/A
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Number of NGOs supported through Grant In Aid	N/A	N/A	Grant-in-Aid support to NGOs	Achieved, Grant in Aid as a support program for NPOs registered under Social Development was advertised to Local Newspapers for dissemination of information. The selection was properly done based on the project type as well as proposals for support material. 8 NGOs were eventually selected. Handover was done at Mantyaneni Sportsground in June 2011	Target was achieved	NGOs within Unsumbe are in thriving stage which then require that the support be maximise. The approach be reviewed in terms of support as it has an impact on the budget
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Number of families assisted through Burial Support programme	Burial support	125 families supported with food relief as a burial support	Burial support	185 indigent families supported with food relief as a burial support	Target was achieved	The program is compounded by budget constraints.
DISASTER MANAGEMENT								
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Risk identification, reduction and mitigation	N/A	N/A	Disaster Management Awareness Campaign	Awareness campaigns conducted in 6 schools in cluster A	The target was achieved.	Comment: Material developed and purchased for the awareness campaign
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Risk identification, reduction and mitigation	N/A	N/A	Disaster Management Risk Assessments	Risk Assessments were done in all 19 wards	The target was achieved.	Attendance in some wards was not satisfactory.



SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT								
Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SOBIP Target	Actual Achievements	SOBIP Target	Actual Achievements		
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Disaster Risk Reduction and preparedness: Responding to incidents upon occurrence	N/A	N/A	Disaster Management Incident Support	54 families affected by disaster incidents were assessed and assisted. 13 families were affected and reported but no assistance was offered	The target was achieved.	Some families need housing rehabilitation
Good Governance and Community Participation	To ensure that the interests of special groups are championed		N/A	N/A	Disaster Management Local Stakeholders Forum	3 Disaster Management Forum meetings were held	Target met	N/A
ADDENDUM								
Good Governance and Community Participation	To ensure that the interests of special groups are championed	Training of community leaders on Disaster Management	N/A	N/A	Training of Municipal Councillors	A 4 day training on Disaster Management was held at St Michael's	The target achieved.	N/A
Good Governance and Community Participation		To ensure safety of communities, VIPs and officials attending events e.g. floor plans, compliance of temporal structures, marshalling, etc	N/A	N/A	To provide safety and security measures in municipality hosted events	Planned and provided security measures in events hosted by municipality	Target achieved	Some service providers still fail to comply e.g. to provide temporal structure certificate, etc
LOCAL ECONOMIC DEVELOPMENT								
LED	To thrive towards a vibrant Local Economy	Ukwakhana craft market constructed	Facilitate production and markets identification	Target achieved. Inputs were procured for projects in wards 3, 4, 5, 6, 8, 10, 13, 14, 19 and were delivered to the beneficiaries	Facilitate production of quality craft products	Target not met. The targets were based on the market being there, since it did not happen then the targets could not be met	The social facilitator did engage SANRAL to allow the market to be constructed on this site.	If technical services could engage a better qualified service provider in the execution of this project, it can still be a reality.
LED	To thrive towards a vibrant Local Economy	number of Arts and craft development trainings provided	Facilitate production and markets identification	Target partially achieved. Khaya-Isokwakhana received and utilized shoe materials	Provision of support material to trained members of Khaya-Isokwakhana	Target achieved. Training has been provided on traditional sandal making. Inputs have also been procured, as well as clay for the clay pot training.	N/A	N/A



SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT								
Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SOBIP Target	Actual Achievements	SOBIP Target	Actual Achievements		
LED	To thrive towards a vibrant Local Economy	1 Ex-convicts cooperative trained and assisted with inputs	Facilitate production of quality products	Target partially achieved. Umzumbe artists were trained in 2010 readiness to improve the quality of their production to international level.	facilitate production and market identification	Target achieved. The ex-convicts have been part of the shoe making course. Some have been able to find employment, whilst others are making a success of their newly acquired skills.	N/A	N/A
LED	To thrive towards a vibrant Local Economy	Mkhulaphi bakery constructed	Facilitate production of quality products	Target partially achieved. The service provider was appointed and the project is under construction.	facilitate production and market identification	Target met. Mkhulaphi Bakery has been constructed	N/A	N/A
LED	To thrive towards a vibrant Local Economy	Facilitate the renovation of Sakhsizwe bakery	Facilitate production of quality products	Target partially achieved. The renovation of the bakery entailed roofing which was not covered in the business plan and therefore could not be covered by the funds that were available.	facilitate production and market identification	Target partially achieved. The last target could not be met as the project has since been listed with MIG and Technical dept is handling the construction phase of the project.	The members are very sceptical of the municipality especially as the funds have been withdrawn from the project.	The section would do with the Technical dept's support in ensuring that the project construction is undertaken as soon as possible.
LED	To thrive towards a vibrant Local Economy	Number of SMME development and capacity building programmes implemented.	Facilitate training and advise	Target achieved. Forms for the SMME development programme have been distributed to SMMEs on the data base.	SMME Development and support.	Target achieved. SMMEs have been identified, trained on poultry production and inputs procured for them.	The SMMEs have requested computer, business plan and business profile trainings that are offered by DED and SEDA but they are slow in delivery	N/A
LED	To thrive towards a vibrant Local Economy	Establishment of a 10 Women led cooperative and provision of support.	Establish a women co op that will assist the 10 women of Umzumbe to grow economically	Target achieved. The service level agreement has been signed and the land for block making is being developed and inputs procured.	Sustain Umzumbe 10 women co operative	Target achieved. The co op was able to benefit from the municipal procurement.	Financial constraints and confinement to catering.	N/A





SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT

Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SOBIP Target	Actual Achievements	SOBIP Target	Actual Achievements		
LED	To thrive towards a vibrant Local Economy	Number of seeds provided per household	Develop database of co-operatives within Umzumbe	Target achieved. Co-operatives have been trained in pooling, craft, and sewing. 128 people benefited from this programme.	Provide seeds per each home in all wards	Target achieved. 3600 Seed packs have been procured and distributed as required.	This is not an LED project	N/A
LED	To thrive towards a vibrant Local Economy	LED forum establishment	Database of all agencies that are involved in SMME development	Target achieved. The data base has been developed and is updated regularly.	All stakeholders to participate in LED forum	Target partially achieved. LED stakeholder forum could not continue to meet when the LED strategy was clearly in need of a review.	Sector Depts prefer district forums as opposed to local municipalities	The forum shall be resuscitated as soon as the LED strategy is reviewed.
LED	To thrive towards a vibrant Local Economy	Number of artist developed and engage in economic opportunities	Engage Small Economic Development Agency (SEDA) in SMME development within the Municipality	Target achieved. SEDA representatives consults from Umzumbe on Tuesdays and Thursdays.	10 local artists developed and marketed	Target achieved. The artists data base keeps growing. The ones with potential were selected for training and have been promoted to perform outside of Umzumbe.	None	N/A
LED	To thrive towards a vibrant Local Economy	Creative arts	Qualified 20 Tourism officers	Target not achieved. The project had to be aborted due to financial constraints.	Creative arts competitions	Target achieved. Artists showcased their talent in the competitions that were hosted by the municipality with the support of the Dept of Arts & culture.	None	N/A
LED	To thrive towards a vibrant Local Economy	1 Heritage day celebration hosted	Furniture producing	Target achieved. The section has 3 furniture producers in its database. They have been assisted with production inputs to improve their service and they also got trained in business management.	Heritage day celebration event	Target achieved. The heritage day was celebrated with an Ingoma festival at Nhlalwane sportsfield in ward 3. This was held in partnership with UGU District.	None	N/A





SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT								
Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SOBIP Target	Actual Achievements	SOBIP Target	Actual Achievements		
LED	To thrive towards a vibrant Local Economy	Number of flea market exhibitions	Give assistance to disadvantaged community members	Target achieved. More than 1000 households have been assisted with seeds.	Sustainable flea market	Target achieved. The LED section has done all that it set out to do but the participants feel that the site is not good enough & would like to move to the rank again as well as Hibiscus	People loose focus and do not want to be independent.	N/A
LED	To thrive towards a vibrant Local Economy	Number of community gardens fenced	Provide relevant business information and opportunities for business owners of Limzombe	Target not met. Budgetary constraints prevented the implementation of this project	Fencing of community gardens	Target achieved. 15 community gardens were successful fenced and provided with inputs due to budgetary constraints.	None	N/A
LED	To thrive towards a vibrant Local Economy	Number of community gardens hydroponics erected			Hydroponics project	Target achieved. The project is currently under erection. It was difficult to find a service provider who offers the type of service that was required.	None	N/A
LED	To thrive towards a vibrant Local Economy	Number of Limzombe organic farming assisted with inputs and fencing	Heritage day celebration event	Target achieved. Heritage day was hosted at kwa Mpande in ward 10 in commemoration of the role played by Ntsezi Msene in the fight against the Poll tax in 1906		Target achieved. Umgal, Gqubhinhlabathi and kwa Shinga have progressed steadily & have successfully made the best of the UGLI OMOP project	SLA with Organics facilitator has expired	N/A
LED	To thrive towards a vibrant Local Economy	LED business advisory	Facilitate production and markets identification	Target achieved. Crafters were assisted with beads from wards 8 and 2. Econwicks were assisted with training in bedside lamp and beadwork and assisted with inputs	Provision of business advice to projects, SMMEs and Co-operatives	Target achieved. The LED staff sees up to 10 clients per day on a variety of issues pertaining to business and LED.	None	N/A



SOCIAL AND ECONOMIC DEVELOPMENT DEPARTMENT

Key Result Area	Objectives	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges
			SOBIP Target	Actual Achievements	SOBIP Target	Actual Achievements		
LED	To thrive towards a vibrant Local Economy	Municipal tractor programme	120 entrepreneurs trained in business management	Target achieved. With the assistance of SIDA the target of 120 trainees was met. The training was on business management and was received by 30 people per cluster. The certificate were also handed out at Shaurimoyo.	Effective and efficient tractor programme	Target met. Land preparation services have been given to all wards for community gardens, one home one garden and semi commercial farmers as well as schools.	The shortage of tractors is a serious setback as the SLA with the mechanic has expired.	N/A
LED	To thrive towards a vibrant Local Economy	Co operative support and Development	10 trained tourism SMEs	Target met. The training was offered by South Coast Tourism and was free. The recipients were members of the tourism forum	Self sufficient co operatives	Target met. This programme is doing well, proposals were processed and goods procured and handed over. The data base is up to date. Umzumbe co ops also participate in district initiative such as the fastmove and saving clubs.	Not all co-operatives are active.	N/A
LED	To thrive towards a vibrant Local Economy	Tourism including Mlezi Mzansi Heritage project	Sustainable flea market	Target achieved. The flea market co ordinating committee has been established and launched	Mlezi Mzansi Heritage project	Target achieved. The monument has been erected whilst the process of land raising for land acquisition is going ahead.	Financial support and land acquisition.	N/A
			All LED stakeholders participated in the LED forum	Target not achieved. This was due to budgetary constraints				



CORPORATE SERVICES DEPARTMENT

Key Result Area/ Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges	Measures to improve Performance
			SDBIP Target	Actual Achievement	SDBIP Target	Actual Achievement			
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Appointments of Staff	09 Posts: (Director Community Services, PMU Manager, 2 Technical Officers, Development Planner, HR Admin Clerk, Receptionist, 2 Interns)	Target Achieved	09 Appointments	Target Achieved: 09 Appointments	4 Admin Assistants, Disaster Manager, Registry clerk, 2 Accountants expenditure and Assets, Manager Special Programmes, Manager Community Services, Manager Speakers office, Finance Intern and 10 graduates	NIL	NIL
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Staff training	5 managers and 48 employees in line with the development needs in the WSP	3 employees enrolled for qualifications (2 with Unisa and 1 with University of Jo'burg) (ongoing) 2 employees enrolled for CPMD 4 employees enrolled for management (DSSA ongoing) 14 employees enrolled for advance Project Management (DSSA-ongoing) 5 employees attending ABET (ongoing)	2 Managers trained on ELMDP, 4 employees enrolled for formal qualifications, (further education) 20 employees (Corporate Services), trained in line with the WSP and 10 unemployed graduates trained on computer, customer care (Batho Pele) -	Target Achieved: 2 Managers trained on ELMDP, 4 employees enrolled for formal qualifications, (further education) 20 employees (Corporate Services), trained in line with the WSP and 10 unemployed graduates trained on computer, customer care (Batho Pele) -	4 employees enrolled for formal qualification (2 with Unisa and 1 with University of Jo'burg and 1 Oxbridge College) (ongoing) 2 Employees enrolled for CPMD (ongoing) 1 Employee registered for Project Management 6 Employees attending ABET (ongoing) 2 employees trained on Records Management 2 Employees workshoped on Basic Quantitative Research methodology 7 Trained on Batho Pele and Excellent Customer Services 7 Attendend training on Minutes Taking and Report Writing	NIL	NIL
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Councillor training	2 Councillors to be trained on CPMD	2 Councillors enrolled for CPMD	37 Councillors trained in accordance with the WSP	Target partially Achieved: 16 councillors trained	Target Achieved: 5 Ecn Councillors enrolled for computer training, at DCC College 1 Councillor enrolled for formal qualification in Tourism 2 Councillors attending CPMD 6 Councillors trained on Scops 2 Councillors attending ELMDP	NIL	NIL



CORPORATE SERVICES DEPARTMENT

Key Result Area/ Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges	Measures to improve Performance
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement			
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Distribution of Agendas	Agendas for all committees must be distributed (5) five days before the date of the meeting	Agendas for all committees must be distributed (5) five days before the date of the meeting	Agendas for all committees must be distributed (5) five days before the date of the meeting	Agendas for all committees must be distributed (5) five days before the date of the meeting	Target Achieved: Agendas distributed 5 days before the day of the meeting Challenges: photocopier and toner pose challenges sometimes	Malfunction of photocopying machine	NIL
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Formulation and review of policies (Consultant less)	Formulation of Policies to be identified during the year	Skills retention Policy formulated and approved by Council Supply Chain Management Policy revised Property rates policy formulated Credit Control Policy amended and approved by Council orders gazetted Workplace skills plan (WSP) and Annual training report telephone and cellphone policy formulated and approved by Council	formulation of policies to be identified during the year	HR Policy and approved by Council, Employment Equity Plan formulated, Credit Card Policy reviewed	Target Achieved: HR Policy finalised and approved by Council, Employment Equity Plan formulated, Credit Card Policy reviewed	NIL	NIL
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Review of job description	75 Job Descriptions to be developed during the financial year	Job descriptions for new employees drafted	11 Job descriptions developed for new employees and reviewed as and when required	11 Job descriptions developed for new employees and reviewed as and when required	Target Achieved: 11 Job descriptions developed for new employees and reviewed as and when required	NIL	Nil
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Leave reconciliation	Reconciliation of leave information per person file and pay day system reviewed	Leave forms reviewed and inserted in individual files	Leave updated and reconciled with pay day as and when required	Leave updated and reconciled with pay day (continuous) Human Resources Module acquired and implemented	Target Achieved: Leave updated and reconciled with pay day (continuous) Human Resources Module acquired and implemented	NIL	NIL



CORPORATE SERVICES DEPARTMENT

Key Result Area/ Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges	Measures to Improve Performance
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement			
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Recruitment costs (Reimbursement, postage and stamps)	Payment of all costs associated with the recruitment and appointment of new employees	Medical check ups conducted for newly appointed staff members	Number of employees appointed	Pay recruitment expenses for 9 employees appointed as and when required	Target Achieved: Medical check ups were conducted for new appoints.	NIL	NIL
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Workmen's compensation Commissioner	Arrange and finalise all logistics for the Municipal Lekgotla		Once off payment of annual fee for the WCC	Completion of WSP and ATR	Target achieved: Training needs for councillors and officials identified and incorporated into the Annual Training Report and WSP	NIL	NIL
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Secretariat for Council meetings	4 Council meetings, 12 Exco meetings, 24 Portfolio Committees meetings and related logistics	Target is ongoing	4 Council meetings, 12 Exco meetings, 24 Portfolio meetings and related logistics	4 Council meetings, 12 Exco meetings, 24 Portfolio meetings and related logistics	Target Achieved: 4 Council meetings, 12 Exco meetings, 2 LED, 2 Community Services, 7 FBCC, 1 Planning	NIL	NIL
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Telephone and contracted cell phones	Upgrade and downgrade cellphone contracts, acquire cellphone contracts for new users and facilitate payments of bills. Monitor telephones usage and facilitate payments of bills	Telephone and cellphone policy formulated and approved by Council	Acquire cellphones in accordance with the appointments at applicable levels	Target Achieved: Contract cellphones upgraded and downgraded. Contract acquired for new users. Soft-locked. All codes deactivated and reallocated to deserving users.	Target achieved: 16 Cellphone contracts upgraded and down graded, All telephone codes deactivated and reallocated to deserving users.	NIL	NIL
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Newspapers	Purchase newspapers on daily basis	Purchase newspapers on a daily basis	Purchase newspapers on a daily basis	Purchase newspapers on a daily basis	Purchase newspapers on a daily basis	NIL	NIL



CORPORATE SERVICES DEPARTMENT

Key Result Area/ Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges	Measures to Improve Performance
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement			
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Licence fees	Pay licence fees as and when due	Pay licence fees as and when due	Payment of licence fees as and when due	Payment of licence fees as and when due	Target Achieved: 2 grader, 9 Vehicles and 3 tractors licenced.		
Institutional Development and Transformation	To ensure that the Municipality operates in line with the country's legislation	Fleet Management	Acquisition of one (1) Vehicle	One (1) vehicle purchased	Purchase of Mayoral vehicle, bakkie, motor bike by the end of the year	Target Achieved: Mayoral vehicle, 1 Bakkie procured.	Target partially achieved: Mayoral Vehicle and 1 Bakkie procured. Auctioning of 2 Tractors and old Mayoral vehicle. Fleet movement monitored through C-track.	Municipal drivers are not in possession of motor bike licence	Municipal messenger to acquire driving licence
To ensure that the Municipality operates in line with the country's legislation	Rental and lease charges	Payment of rent and lease on a monthly basis	Payment of rent and lease on a monthly basis	Payment of rent and lease on a monthly basis	Payment of rent and lease on a monthly basis	Target Achieved: Payment of rent and lease on a monthly basis. New Service provider appointed for the Registry copying machine.	NIL	NIL	
To ensure that the Municipality operates in line with the country's legislation	Vehicles Maintenance	Pay maintenance as and when due	Pay maintenance as and when due	Payment of maintenance costs for the municipal vehicles as and when due	Payment of maintenance costs for the municipal vehicles as and when due	Target Achieved: 5 Vehicles went for service, 4 vehicle were repaired, 4 Vehicle with new tyres and new registration numbers for 2 vehicles.	NIL	NIL	
To ensure that the Municipality operates in line with the country's legislation	Computer maintenance	Pay maintenance as and when due	Pay maintenance as and when due	Maintenance of computers as and when required	Maintenance of computers as and when required	Target Achieved: Anti virus re-installed, MCA for installation of internet port approved by Exco and signed by the Municipal Manager. New host appointed Micro Trend configured and renewed, Pay Day file server repaired	NIL	NIL	



CORPORATE SERVICES DEPARTMENT

Key Result Area/ Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges	Measures to Improve Performance
			SDRP Target	Actual Achievement	SDRP Target	Actual Achievement			
To ensure that the Municipality operates in line with the country's legislation	Printing stationery	Acquisition of printing stationery for secretarial and daily use	Printing stationery acquired as and when required	Acquisition of printing stationery for secretarial and daily use	Printing stationery acquired as and when required	Target Achieved: Printing stationery acquired as and when required.	NIL	NIL	
To ensure that the Municipality operates in line with the country's legislation	Maintenance of buildings	Effect maintenance and pay maintenance costs when due	Building maintained on an ongoing basis and cleaning detergents purchased as and when required	Cleaning offices, premises and purchase of cleaning	Building maintained on an ongoing basis and cleaning detergents purchased as and when required	Target Achieved: The Registry and Receipts were painted. Blocked and broken toilets were fixed. Windows and office blinders were fixed.	NIL	NIL	
To ensure that the Municipality operates in line with the country's legislation	Security	Provision of security services for the Municipality	Facilitate payment of monthly bills to the security company	Monitor performance of security company and facilitate payment of monthly bills	Monitor performance of security company and facilitate payment of monthly bills	Target met: New security company appointed.	NIL	NIL	
To ensure that the Municipality operates in line with the country's legislation	Avoidance of irregular and fruitless expenditure	Adhered to relevant legislation	Compliance with the MFMA ensured	Adhered to relevant legislation	Compliance with the MFMA ensured	Target met: Compliance by all HOD's and the CFO to report on expenditure	NIL	NIL	
To ensure that the Municipality operates in line with the country's legislation	Legal charges	Pay legal charges as and when due	Pay legal costs when necessary	Seek and appoint legal experts when necessary	Pay legal costs when necessary	Target met: Legal fees paid for ongoing court case involving stolen cheques. One dispute held and resolved without incurring any costs.	NIL	NIL	
To ensure that the Municipality operates in line with the country's legislation	Electricity (Bills)	Monitor budget and facilitate payment of monthly bills	Target met: Payment of electricity bills on a monthly basis facilitated by ensuring that invoices are submitted to Finance Department on time	Monitor budget and facilitate payment of monthly bills	Target met: Payment of electricity bills on a monthly basis facilitated by ensuring that invoices are submitted to Finance Department on time.	Target met: Payment of electricity bills on a monthly basis facilitated by ensuring that invoices are submitted to Finance Department on time	Power failure	NIL	



CORPORATE SERVICES DEPARTMENT

Key Result Area/ Project	Objective	Key Performance Indicator	2009/2010		2010/2011		Actual Performance	Concerns and Challenges	Measures to improve Performance
			SDGIP Target	Actual Achievement	SDGIP Target	Actual Achievement			
To ensure that the Municipality operates in line with the country's legislation	Water (Bills)	Monitor budget and facilitate payment of monthly bills	Target met: Payment of water bills on a monthly basis facilitated by ensuring that invoices are submitted to Finance Department on time	Monitor budget and facilitate payment of monthly bills	Target met: Payment of water bills on a monthly basis facilitated by ensuring that invoices are submitted to Finance Department on time	Target met: Payment of water bills on a monthly basis facilitated by ensuring that invoices are submitted to Finance Department on time	NIL	NIL	



Report to Council

*Oversight Report
in respect of the
2010/2011
Annual for
Umzumbi
Local Municipality*





DATE : 29 MARCH 2012

1. PURPOSE

To propose that the Municipal Council adopts the Oversight Report in respect of the 2010/2011 Annual Report.

2. BACKGROUND AND RATIONALE

2.1 OVERSIGHT PROCESS

The Council resolved that the oversight role on the compilation of the 2010/2011 Annual Report be performed by the Standing Committee on Public Accounts (SCOPA). The Council took cognisance of the legislative framework prescription on members that should form part of a committee that plays an oversight role on the compilation of an annual report, when decided on assigning this role to the Standing Committee on Public Accounts (SCOPA).

The Standing Committee on Public Accounts (SCOPA) comprises of 5 non-executive councillors, which is in line with circular 32 of the Municipal Finance Management Act, Act 56 of 2003 and Sections 33 and 79 of the Municipal Structures Act, 1998.

The Standing Committee on Public Accounts (SCOPA) meeting was held on the following date to consider the Annual Report:

- 15 March 2012

The minutes of the above mentioned meeting are attached hereto as Annexure A.

2.2 CONSULTATION PROCESS

Following the tabling of the 2010/2011 Annual Report at a Council meeting held on 25 January 2012, a public notice on the availability of the 2010/2011 Annual Report was placed in the local media. The community was invited to submit representations on the report. Copies of the Annual Report were placed for review at the following public places namely, Morrison Post, Mehlomnyama Police Station, Assisi Clinic, Dweshula Clinic, Ophepheni Information Center, Ward 7 Community Hall, Umzumbe Municipal Offices, Mgai Clinic and Social Welfare, Kwa Smith, Ward 19 Government offices, Ziyabanya Car wash, Junction ward 6 (KwaMrek), Joyisi Ward 7, Mgomeni High, Bambumoya Ward 2 and Mtwalume High Clinic.

The Standing Committee on Public Accounts (SCOPA) meeting was also advertised in the local newspapers inviting community participation in all its Committee meetings.

There were no written comments received from the members of the community.



2.3. COMMENTS AND REVIEW BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

2.3.1 Financial Matters – Annual Financial Statements - Section 121 (3) MFMA

It be NOTED that:

- The consolidated annual financial statements included in Chapter 4 of the Annual Report are the Statements that were submitted to the Auditor-General.
- The Auditor General expressed an unqualified audit opinion in respect of Umzumbe Local Municipality.
- The audit report is included in the Annual Report as tabled.
- Management corrective action plans to the audit findings raised by the Auditor-General have been tabled to Council and will be attached as an annexure to Chapter 4 of the printed annual report.

2.3.2.2. Human Resources and Other Organisational Management

That it be noted that in addition to possessing a tertiary qualification, the Municipal Finance Management Act, act 56 of 2003 prescribes that the Accounting Officer, the Chief Financial Officer, Senior Management, other financial officials and Supply Chain Management officials of the municipality must meet minimum financial management competency levels and competency levels for supply chain management. National Treasury issued Regulations on Minimum Competency Levels on the 15th of June 2007; the regulations prescribe the minimum competency levels for the aforementioned categories of officials. As prescribed and required by the regulations, a progress report on the attainment of the minimum competency levels is included in the annual report under the skills development section of the annual report.

3. STRATEGIC IMPLICATIONS

The adoption of the Oversight Report on the annual report is in accordance with the KPAs - Good Governance and Public Participation and Infrastructure and Basic Service Delivery.

4. LEGAL/ STATUTORY IMPLICATIONS

- Municipal Finance Management Act, 2003 (Act 56 of 2003) (Chapter 12).
- Municipal Systems Act, 2000 (Act 32 of 2000) (Chapter 6), as read with the Municipal Systems Amendment Act, 2003 (Act 44 of 2003).
- Municipal Structures Act, 1998 (Act 117 of 1998).

5. STAFF/ PERSONNEL IMPLICATIONS

None.

6. FINANCIAL IMPLICATIONS

The Annual Report and the oversight process are provided for in the 2011/2012 budget.

7. COMMUNICATION IMPLICATIONS/ PUBLIC RELATIONS

- A public notice inviting representations from the community was placed in the local media.
- Meetings of the Standing Committee on Public Accounts (SCOPA) were advertised in the local press and all meetings were open to the members of the public.



8. OTHER PARTIES CONSULTED

- The Auditor-General.
- Audit Committee
- Corporative Governance and Traditional Affairs (Cogta)

9. RECOMMENDATIONS

- a) That the Council approves the 2010/2011 Oversight report without reservations.
- b) That the Council, having fully considered the annual report adopts the 2010/2011 report without reservations.

CLLR M.Z. LUTHULI

CHAIRPERSON: STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)





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